DATE: 09/29/2014

NUMBER: SBSE-05-0914-1400

SUBJECT: Balance Due

AFFECTED IRM(s)/SUBSECTION(s): 5.19.1

CHANGE(s):

IRM 5.19.1.1 Balance Due Overview, updated case control requirements in paragraph (7). Update first two bullets under paragraph (12).

7. Written requests received in Compliance Services Collection Operations (CSCO) and Automated Collection System Support (ACSS) Operations must be controlled within 21 days from the IRS received date in order for an interim letter to be issued timely. If a case is received from another site/operation without a control, the case must be controlled within 5 days of CSCO received date to be considered timely. GII exception prints will be considered "from another site".

    When a final response cannot be initiated within 30 days, an interim response will be initiated by the 30th calendar day from the IRS received date. Sites using Accounts Management System (AMS) for controlling and monitoring inventory follow AMS guidelines for case control and acknowledgment of taxpayer correspondence. If correspondence is received from a previous area after the 30 days expires and no interim letter was issued, you must send an interim letter within five business days of receipt in your area. Subsequent interims may be required if you are unable to respond as promised, see IRM 21.3.3.4.2.2, *Interim Responses.* Follow all other Integrated Data Retrieval System (IDRS) control procedures in IRM 21.3.3.4.2.2, *Interim Responses.*

    EXCEPTION: W&I CSCO ONLY: For peak processing periods, the target time frame for working cases to closure and sending a final response, if required is extended to 45 days. An interim response is still required by the 30th day. (Peak processing time frames can be found in the W&I CSCO Operating Guidelines.)

12. DO NOT use the SERP Feedback Form to request changes to the following:
    - Letters - Use the Green Button at the Office of Taxpayer correspondence (OTC) website. See IRM 25.13.1, *Taxpayer Correspondence Services.*

- o Notices - Use the Green Button at the OTC website. See IRM 25.13.1, *Taxpayer Correspondence Services*.
- o Policy, policy statements, tax law and regulations should be submitted to Headquarters through the Planning and Analysis staff at your site.
- o Systems changes - Use Form 5391
- o Suggestions - Use the electronic Employee Suggestion Program. Please follow the instructions on the IRS Intranet.

   NOTE: The Employee Suggestion Program should not be utilized to make IRM change requests.

IRM 5.19.1.1.1 Disclosure Overview: Verifying Identity of Contact Party, removed note under first row of table under paragraph (1).

1. For purposes of identification and to prevent unauthorized disclosures of tax information, follow the chart below:

If the contact is …	Then ...
Taxpayer	See IRM 21.1.3.2.3, *Required Taxpayer Authentication*.
Mailing and Faxing Tax Account Information	See IRM 21.1.3.9(2), *Mailing and Faxing Tax Account Information*, and IRM 11.3.1.11, *Facsimile Transmission of Tax Information*.
Power of Attorney (POA), Form 2848, *Power of Attorney and Declaration of Representative*	See IRM 11.3.3, *Disclosure to Designees and Practitioners*.
Tax Information Authorization (TIA) - Form 8821, *Tax Information Authorization*	See IRM 11.3.3.2, *Disclosure to Third Parties Based Upon Taxpayer Request for Assistance*. See IRM 11.3.3.3(1), *Distinction Between Disclosure to Designees and the Conference and Practice Requirements*. See IRM 11.3.3.3(2), *Distinction Between Disclosure to Designees and the Conference and Practice Requirements*.
Oral Disclosure Consent	See IRM 11.3.3.2.1, *Requirements for Oral Authorization*.
Parent/Guardian of Minor	See IRM 11.3.2.4.10, *Minors*.
Hearing Impaired (including telecommunications device for the deaf (TDD) equipment	See IRM 11.3.2.3.2(2), *Requirements for Verbal or Electronic Requests*.

Language or Sign Interpreter	See IRM 11.3.2.3.2(2), *Requirements for Verbal or Electronic Requests*.
Checkbox Designee	See IRM 11.3.3.2.1, *Requirements for Oral Authorization*, and IRM 21.1.3.3.1, *Third Party Designee Authentication*.
Third Party: Levy Source	See IRM 11.3.2.2, *General Rules*. See IRM 11.3.21.1(8), *Background*.
Third party: Lien Payoff	Refer Financial institutions requesting a lien payoff/release to the Lien Unit at: 1-800-913-6050 See IRM 11.3.11.10, *Disclosure of Amount of Outstanding Lien*. **NOTE:** Advise taxpayers who have an IA to continue making their scheduled payments until the balance is paid.
Third party: claiming a willingness and means to pay the balance due	See IRM 11.3.21.1(8)(e), *Background*. **NOTE:** Wage levy sources requesting a levy payoff/release must be advised to continue sending payments until a levy release is received.
Third Party claiming a material interest	See IRM 11.3.2.4, *Persons Who May Have Access to Returns and Return Information Pursuant to IRC 6103 (e)*.
Responsible Persons assessed a Trust Fund Recovery Penalty (TFRP)	See IRM 11.3.2.4.13, *Trust Fund Recovery Penalties*.

NOTE: If making out-calls and there is a valid POA on file, you must contact the POA and not the taxpayer.

IRM 5.19.1.1.6 Case Processing Authority Levels, removed note under paragraph (1). Updated table under paragraph (4).

1. **Tolerance:** The following accounts may be closed as CNC (cc 09), tolerance without further action, where the aggregate unpaid balance, including accruals, is less than **#**$█████**#**:
    - IMF (except MFT 55 — **#**$██████**#**)
    - BMF (except MFT 13 — **#**$██████**#**)
    - NMF
    - IRAF

4. **IAs:** See below for AM, CSCO, ACS, ACSS and Field Assistance employee dollar authority levels and duration of the IAs.

Type of IA	Duration of IA	Dollar Criteria	BOD/Function
Guaranteed IMF Only IRM 5.19.1.5.4(8)	36 months (will full pay within CSED)	$10,000 and less tax only (excludes P&I)	All

SIAs $25,000 and under
(Type of Entity:
 	
  o IMF
  o Out of Business BMF
  o BMF Income Tax ONLY (Form 1120, Form 1065 - Late Filing Penalty)
 	
IRM 5.19.1.5.4(9)
	o The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or
	o The agreement **will** be fully paid prior to the CSED,
	
	whichever comes first,
		$25,000 and under
		
		AAB (CC SUMRY)
			All

SIAs over $25,000	o The AAB	$25,001 -	All

IMF and OOB BMF Sole Proprietors

IRM 5.19.1.5.4.25, IRM 5.19.1.5.4.15, and

IRM 5.19.1.5.4.14 | (CC SUMRY balance) **will** be fully paid in 72 months, or
  o The agreement **will** be fully paid prior to the CSED,

whichever comes first, | $50,000

AAB (CC SUMRY) | |
| In-Business Trust Fund Express Agreement

IRM 5.19.1.5.4.2 | Earlier of 24 months or before CSED | $25,000 and less

AAB (CC SUMRY) | Field Assistance, SB/SE CSCO, ACS and ACSS |
| In-Business Trust Fund Express Agreement

IRM 5.19.1.5.4.2 | Earlier of 24 months or before CSED | $10,000 and less

AAB (CC SUMRY) | W&I AM |
| NSIAs IMF & Out of Business Sole Proprietors

IRM 5.19.1.5.4(10) | Will pay within the CSED | Under #$▉ -----------#

AAB (CC SUMRY) | All |
| NSIAs IMF Only

IRM 5.19.1.5.4(10) | Will pay within the CSED | Under #$▉ -----------#

AAB (CC SUMRY) | ACS and ACSS |
| Partial Pay IAs IMF & Out of Business Sole Proprietors | Will not full pay within the CSED | Under #$▉ -----------#

AAB (CC | All |

Any Line marked with a # is for Official Use Only

IRM 5.19.1.5.4(11)		SUMRY)	
Partial Pay IAs IMF Only IRM 5.19.1.5.4(11)	Will not full pay within the CSED	Under **#**$█ ------------- **#** AAB (CC SUMRY)	ACS and ACSS

REMINDER: If pre-assessed/unassessed taxes are included, the pre-assessed/unassessed liability plus unpaid balance of assessments (CC SUMRY) **must** be within the applicable dollar criteria shown above.

NOTE: For balances over these amounts, see IRM 5.19.1.3.1, *Account Actions on Referral/Redirects*.

IRM 5.19.1.1.7 Mandated IAT Tools, added note under paragraph (4). Updated table under paragraph (6).

4. If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS, following established procedures. See the IAT Website, for how to report/fix problems with IAT tools.

   NOTE: Document AMS when an IAT tool is **not** used.

6. IAT tool users can visit the IAT Website, to become a subscriber to the IAT newsletter. The iNews details all ongoing IAT activity with tool retirements and rollouts.

Functions	Mandatory IAT Tools	Suggested Use
W&I and SB/SE ACS and ACSS	o Credit Transfer o Erroneous Refund o Fill Forms o Letters o Manual Refund o REQ54 o REQ77 o X Claim (ACSS)	o Payment Tracer o Compliance Suite
W&I and SB/SE CSCO	o Credit Transfer o Erroneous Refund o ESTAB o FRM49 o Letter o Manual Refund	o Compliance Suite

	o REQ54 o REQ77 (TDI) o TFRP Suite (SB/SE) o Payment Tracer/Tracer (BAL) o Withholding Compliance (Andover & Austin)	
W&I ASFR	o Credit Transfer o ESTAB o FRM49 o Letters o ASFR IRP (formerly Refund Hold) o X Claim	o Compliance Suite
SB/SE ASFR	o X Claim	o Compliance Suite

IRM 5.19.1.2.3 For All ACS Employees, split paragraph (9) into three paragraphs (9)-(11).

9. Whenever transferring the taxpayer's call per paragraphs (10) and (11), use the transfer tables shown below to determine the correct transfer number.

   NOTE: Inform the taxpayer they are being transferred.

   NOTE: All Compliance issues should be addressed before transferring. The assistor should inform the taxpayer they are being transferred and advise caller of what topic to request after the transfer. The assistor should document AMS history with the reason for the transfer.

   NOTE: Document AMS history with the reason for the transfer.

10. **Tax Law Issues - Overview:** After April 16th and continuing for the remainder of the year (December 31), taxpayers should be referred to the irs.gov website for tax law information.

    Accounts Management will continue to answer tax law inquiries on a limited number of topics. These include:
    - o Tax Exempt Government Entities (TEGE),
    - o Special Services: Military or Civilian Combat; Federally Declared Disaster,
    - o Affordable Care Act (ACA), and
    - o International Tax Law (overseas calls only).

If ...	And ...	Then ...
The taxpayer's Tax Law inquiry is one of the above topics,	The call is received during **Accounts Management Toll-Free lines (AM)** hours of operation: o 7:00 am to 7:00 pm (local time).	Transfer to extension 92001. **NOTE:** Extension 92001 directs the caller to a screening line. Advise the taxpayer that they will be transferred again. This will help direct the caller's inquiry expeditiously and to minimize the number of times they are subsequently transferred. **EXCEPTION:** If the call is received outside of the hours of operation, **do not** transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.

The taxpayer's Tax Law inquiry is **not** one of the above topics,	The taxpayer has Internet Access,	a. Advise the taxpayer that the Service does not provide live assistance on this topic.
		b. Refer the taxpayer to www.irs.gov:
		    • Select the Help & Resources' tab on the irs.gov home page. Options are listed on the left side of the page,
		    • Interactive Tax Assistant (ITA) - The ITA tool is a tax law resource that asks the taxpayer a series of questions and then provides them with responses to tax law questions on a limited number of topics. Enter "ITA" into the Search feature, or
		    • IRS Tax Map- Enter "IRS Tax Map" into the Search feature for more detailed information.
		c. Close the call.
		d. If the caller does not want to be referred to the website:
		    • Austin, Brookhaven,

		Buffalo, Denver, Nashville, Oakland, Puerto Rico, Seattle ACS sites: transfer the call to the out-of-scope automated message listed under 92194 (English) or 92195 (Spanish). • All other ACS sites: transfer the call to 92001. **NOTE:** Extension 92001 directs the caller to a screening line. Advise the taxpayer that they will be transferred again.

The taxpayer's Tax Law inquiry is **not** one of the above topics,	The taxpayer **does not** have Internet Access,	a. Advise the taxpayer that the Service does not provide live assistance on this topic.
		b. Refer the taxpayer to the following sources:
		   • Tele-Tax: 1-800-829-4477 for information on a variety of tax topics. After the selection of the language preference, press 2 to enter the Tele-Tax topics, then press 123 and follow the prompts to find the right Tele-Tax topic.
		   • Commercial software packages - many also provide answers to tax questions.
		   • A tax professional.
		c. Close the call.
		d. If the caller does not want to be referred to Tele-Tax:
		   • Austin, Brookhaven, Buffalo, Denver, Nashville, Oakland, Puerto Rico, Seattle ACS sites: transfer the call to the out-of-scope automated message

		listed under 92194 (English) or 92195 (Spanish).
		• All other ACS sites: transfer the call to 92001.
		NOTE: Extension 92001 directs the caller to a screening line. Advise the taxpayer that they will be transferred again.

11. **Non Tax Law Issues:** Use the transfer table to determine the correct transfer number.

When Issue is ...	Function ...	Use the Following to Resolve the Call ...
Account Issues – (Any account issues that do not pertain to the ACS case), **EXCEPTION:** Refund Inquiries (see below).	**AM Toll-Free lines (AM)** **Hours of Operation are:** ○ **7:00 am to 7:00 pm (local time).** **EXCEPTION:** If the call is received outside of the hours of operation, **do not** transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.	○ **English - Transfer to extension 92020.** ○ **Spanish - Transfer to extension 92021.**
Refund Inquiries – Taxpayer is inquiring about their refund and it has been: ○ **21 days or less since they filed an electronic return, or** ○ **Six weeks or less since they filed a**	**AM Toll-Free lines (AM)** **Hours of Operation are:** ○ **7:00 am to 7:00 pm (local time).**	○ **English - Transfer to extension 90278.** ○ **Spanish - Transfer to extension 90279.**

paper return,	**EXCEPTION:** If the call is received outside of the hours of operation, **do not** transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate Refund Hotline (Automated Service): 1-800-829-1954.	
Refund Inquiries – Taxpayer is inquiring about their refund and it has been: o **More than 21 days since they filed an electronic return, or** o **More than 6 weeks since they filed a paper return,**	**AM Toll-Free lines (AM)** **Hours of Operation are:** o **7:00 am to 7:00 pm (local time).** **EXCEPTION:** If the call is received outside of the hours of operation, **do not** transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.	o **English - Transfer to extension 92020.** o **Spanish - Transfer to extension 92021.**
Examination Issues – Call transfer functionality to Exam is available as an alternative for routing Form 4442, *Inquiry Referral*, or e4442. Those accounts meeting the transfer criteria outlined below can be transferred: o **Open audit identified by an Exam Freeze Code (-L), information available on CC AMDIS**	**Examination** **Hours of Operation are** o **W&I - 8:00 am to 8:00 pm (local time).** o **SB/SE - 7:00 am to 7:00 pm (local time).**	**Follow procedures in Exhibit 21.5.10-2, *AIMS STATUS CODE GUIDE CORRESPONDENCE EXAM*.**

, **AIMS status code is between 00 and 57 AND a unreversed TC 420 or TC 424,** o **Closed audit with an open Exam control base on IDRS, indicating there is an open Audit Reconsideration case, or** o **Closed audit with no Exam control base on IDRS, but meeting the criteria in IRM 4.13.2.1, *Research/Initial Case Screening*,**		
AUR Issues – Accounts with an open AUR case,	**AUR**	**Follow procedures in IRM 21.3.1.4.56, *Status of IMF Underreporter Cases*.**
ACS FERDI Issues – Employees can identify FERDI accounts by the following codes: o **AMS – "Federal Employee" in the Alerts box of the Account Summary screen,** o **ACSWEB – "FE" in the Alerts section,** o **ACS Green Screen – "FE" in the Alerts section,** o **IDRS CC ENMOD screen – "FED-EMP>F",** o **CFOL CC IMFOL E screen – "FED EMPLOY/RETIREE",**	**FERDI - IRM 5.19.18.2, *Identifying FERDI Cases*.**	o **English/Spanish calls - Transfer to 92082.** **NOTE:** All FERDI calls needing Spanish translators should be transferred to the Jacksonville CallSite - 92082. They will utilize OPI Service instead of a Spanish assistor. **CAUTION:** If the call is from an IRS employee, **do not** transfer the call. Refer the inquiry to the field per IRM 5.19.18.3, *IRS Employee FERDI Cases*.
BMF Taxpayers	**SB/SE**	o Transfer to extension 92085. **EXCEPTION:** Although Puerto Rico ACS is a W&I site, they

		provide bilingual support for SB/SE ACS lines. Therefore, Puerto Rico ACS employees should not transfer calls to this line.
Z Freeze	**Criminal Investigation (CI)**	Follow procedures in IRM 5.19.1.2.4(3), *For Other Account Issues*.

IRM 5.19.1.2.4 For Other Account Issues, added hyperlinks to the Consolidated State Mapping for ACS and Collection Due Processing pages in the Campus Program Locator Guide to paragraph (1). Updated paragraph (9) to include referral to IRM 5.19.18.3, IRS Employee FERDI Cases.

1. **ACS (ST 22) Accounts:** When an IA is requested, input TC 971 AC 043 if the case meets pending IA criteria, IRM 5.19.1.5.4.7, *Pending IA Criteria*. Route the correspondence to the appropriate ACSS Site, based on BOD code and State mapping (W&I State Mapping or SB/SE State Mapping). Issue Letter 86C, *Referring Taxpayer Inquiry/Forms to Another Office*, if the ACSS Site is outside of your campus. If the ACSS Site is in your campus, send Letter 2645C, *Interim Letter*, if the case is over 25 days old and no interim letter was sent. Update comments on AMS.

    NOTE: If a Notice Status account in CSCO updates to ST 22 because a CC STAUP was not input or updated timely, CSCO will continue to work the case. After working the case, update AMS comments with the case resolution. Contact the ACS Liaison to ensure the case is updated on ACS and no enforcement action is outstanding.

9. **IRS employee sends correspondence about their tax account:** Do not work the case. Refer the inquiry to the field per IRM 5.19.8.3, *IRS Employee FERDI Cases*.

IRM 5.19.1.3.1 Account Actions on Referral/Redirects, added hyperlinks to the Consolidated State Mapping for ACS and Collection Due Processing pages in the Campus Program Locator Guide to the table under paragraph (1).

1. When researching the account, if any modules are in ACS ST 22, do not work the case unless you have access to the ACS system. If no access to ACS address all non-ACS issues and take the following actions:

If ...	Then ...
Speaking to the taxpayer	Transfer the call to ACS using the Telephone Transfer Guide available on SERP.
Working correspondence	Refer the correspondence to the appropriate ACSS site based on BOD Code and State mapping (W&I State Mapping or SB/SE State Mapping). **NOTE:** You are not required to contact the taxpayer and advise them of this referral if the ACSS Site is within your campus.
Outside your campus	Send Letter 86C, *Referring Taxpayer Inquiry/Forms to Another Office*
Received date of the correspondence is 25 days or greater	Send Letter 86C, *Referring Taxpayer Inquiry/Forms to Another Office*, to the taxpayer prior to routing the case to ACSS; for routing directions for specialized processing, see IRM 21.3.3.4.11, *Taxpayer Late Replies* **EXAMPLE:** Tentative Carryback

IRM 5.19.1.3.3.2 Adjusting Tax for a Balance Due, updated paragraphs (1) and (2) for clarification.

1. If an adjustment to the tax is required, follow the appropriate adjustment procedures:
   o IRM 21.5, *Account Resolution*
   o IRM 21.6, *Individual Tax Returns*
   o IRM 21.7, *Business Tax Returns and Non-Master File Accounts*

   NOTE: If tax liability is satisfied and there is an outstanding NFTL, see IRM 5.19.4.6.5, *Lien Releases.* Employees of functions with access to the Automated Lien System (ALS) input NFTL release requests in these circumstances; for functions not having access to ALS, determine and provide the Centralized Lien Unit (CLU) NFTL release contact on the Intranet by going to:

   o The IRS Intranet home page (IRWeb)
   o SERP
   o The Who/Where tab
   o ALS Units – Contacts

   REMINDER: An internal use only telephone number is also provided along with the contact information on the CLU web site. Ensure all email

communications regarding NFTLs are via secure messaging.

NOTE: Consider providing the taxpayer Pub 1468, *Guidelines for Processing Notice of Federal Tax Lien Documents*, if the taxpayer has additional questions about the NFTL or refer the taxpayer to irs.gov to retrieve the publication.

2. If the taxpayer disputes a balance due as a result of an SFR/ASFR assessment, and claims they filed with their spouse, prepare Form 4442, *Inquiry Referral*, and forward it to SFR/ASFR. See IRM 5.19.1.2.4(14), *For Other Account Issues*, for processing sites. If the taxpayer disagrees with the assessment and has not previously filed, advise them to prepare and file an original return showing the correct income, exemptions, filing status, and deductions. An SFR/ASFR assessment can be identified by the following:
    a. TC 150 for .00 with literal "SFR" next to it.
    b. Tax class 2 with Doc Code 10 in the DLN.
    c. Blocking series 000-299.
    d. No AGI present on the module.
    e. TC 290 (Collection ASFR assessment) or TC 300 (Examination SFR assessment) with blocking series 540-549 or 640-649.

    For addresses to which ASFR reconsiderations requests/cases are sent, see IRM 4.13.7-1, *ASFR - Reconsideration Returns - Centralized Processing Sites*.

    f. TC 599 with cc 088, no response to ASFR notifications.
    g. TC 599 with cc 089, taxpayer agreed to the ASFR assessment or filed an original return. If you receive a reconsideration of an Examination SFR, follow appropriate procedures. See IRM 4.13.3.8, *Closing Procedures*.

    NOTE: If the taxpayer files a return after TC 599 cc 089 is input, this is considered an amended return, not a reconsideration. Do not route these to ASFR. See IRM 21.3.3.4.10.2.1, *Amended Returns/Claims - Compliance Criteria*.

IRM 5.19.1.3.4.1 Full Compliance Check, updated table under paragraphs (6) and (7).

6. IAs cannot be established if a return is required to be filed. When **speaking** to the taxpayer, address compliance on current year return filing as follows:

If ...	Then ...
Before April 15th IMF due date or due date of BMF return	Ask the taxpayer if the return was filed: a. If "Yes", ask if it is a balance due or

	refund return b. If a balance due return and filed less than ten weeks ago, include the liability in the case disposition c. If "No", continue with normal case processing; securing the return is not required
The return was filed more than ten weeks ago	You must secure the return; ask the taxpayer if the return was filed and whether it is a balance due or refund return.
A TC 460 is present for the current year return and it is before the extension due date	Continue with normal processing; securing the return is not required
It is past 10 weeks of the return due date, or approved extension date (TC 460) (IMF), or past 20 weeks of the return due date (BMF),	Ask the taxpayer if the return was filed: a. If "Yes", ask if it is a balance due or refund return b. If a balance due return and filed less than ten weeks ago, include the liability in the case disposition c. If "No", and you determine the taxpayer is not required to file, input appropriate transaction and cc per Document 6209 , *IRS Processing Codes and Information*, Section 11, *TDI Closing Codes*, and continue with normal case processing d. If the taxpayer has not filed all required returns, you cannot grant an IA without securing them. If the taxpayer is eligible for CNC hardship but has unfiled returns, IRM 5.19.1.7.1.3(4)—(5), *CNC Unable to Pay – Hardship*.
NOTE:	Follow IRM 5.19.2.5.4.5, *IMF — Determining Liability*. Address modules not in an open RD status by annotating AMS comments only, as appropriate. Do not input a TC 59X on modules with no TC 140 or TC 474 as input will cause an Unpostable action if module is not on MF.

7. While working correspondence and you determine there are missing returns for which the taxpayer is liable to file:

If ...	Then ...

It is not 10 weeks past the return due date, or approved extension date (TC 460) (IMF), or past 20 weeks of the return due date (BMF),	Process the correspondence
It is past 10 weeks of the return due date, or approved extension date (TC 460) (IMF), or past 20 weeks of the return due date (BMF),	Send an appropriate Correspondex letter requesting the return. Advise the taxpayer an IA cannot be considered at this time. IAs cannot be granted when a return is due. If the taxpayer meets CNC hardship criteria, follow the procedures in IRM 5.19.1.7.1.3(4)—(5), *CNC Unable to Pay – Hardship*.

IRM 5.19.1.3.4.3 Balance Due Taxpayer Education (Cause and Cure), removed hyperlink under paragraph (1). Updated table under paragraph (5).

1. In order to prevent future tax delinquencies, it is important to determine what caused the taxpayers current balance due or return delinquency; once you understand the reason for the problem, you can recommend a cure or plan of action the taxpayer can follow to prevent the problem from recurring. Unless the taxpayer corrected the problem and the current year return is full paid, you must do this while on the phone or when answering correspondence. Document in AMS comments cause, cure and compliance (CCC) was completed.

   NOTE: If cause, cure and compliance is entered in comments and there are no new delinquencies since the initial cause and cure discussion, you are not required to address cause and cure again.

5. The following are typical examples of causes and cures:

Causes ...	Cures ...
The taxpayer does not have enough income tax withheld from wages.	a. Advise the taxpayer if they incur any additional tax liability or fail to file any future tax year returns, the IRS can issue a notice to their employer directing the employer to withhold at the highest rate. b. Explain how to correct Form W-4, *Employee's Withholding Allowance Certificate*, reducing the number of allowances or having additional tax

	withheld each pay period.
	NOTE: If the taxpayer would like to calculate the proper withholding allowances on his or her own, refer the taxpayer to the withholding calculator at www.irs.gov.
	c. Remind taxpayers, when applicable, they may withhold from their Social Security, Unemployment, etc., with Form W-4V, *Voluntary Withholding Request.*
The taxpayer adjusted withholding during the year, but still owes tax on the current year because of the withholding rate for the earlier part of the year.	Confirm withholding is correct to avoid future delinquencies.

The taxpayer does not make estimated tax payments because they are unaware of or does not understand the requirements.	a. Explain estimated tax payment requirements including when to complete Form 1040–ES, *Estimated Tax Income for Individuals.*
	b. If the taxpayer has internet access, advise taxpayer to access the following Publications via www.irs.gov:
	    ▪ Publication 334, *Tax Guide for Small Business,* and/or
	    ▪ Publication 505, *Tax Withholding and Estimated Tax.*
	
	for taxpayers with interest, dividend, and other non-wage income; for additional information regarding estimated tax, see IRM 21.6.3.4.2.3, *Estimated Tax (ES).*
	
	c. If the taxpayer does not have internet access, then offer to send these publications.

The taxpayer is not making Federal Tax	a. Advise the taxpayer of FTD requirements. See IRM 21.7.2.3.4,

Deposits for employment, excise or corporate taxes.	*Deposits* b. If the taxpayer has internet access, advise taxpayer to access the following Publication via www.irs.gov: Publication 15, *Circular E, Employers Tax Guide*. **NOTE:** If a business, other than a sole proprietorship, explain the officers or partners of the business can be held personally liable for unpaid trust fund taxes by being assessed a TFRP by an RO. c. If the taxpayer does not have internet access, then offer to send this Publication.
The taxpayer did not file because they did not know how to complete a tax form.	Advise the taxpayer assistance is available each filing season: o Through VITA or TCE for IMF taxpayers. **NOTE:** See IRM 21.3.4.10(3), *Return Preparation Assistance*, and IRM 21.3.5.4.4.1, *Directing Taxpayers to Taxpayer Assistance Centers (TAC)*.
The taxpayer states they do not have the income information to file prior year returns.	Provide income information via TDS, or CC IRPTR W; if needed, send the corresponding tax forms via ELITE, see IRM 21.2.1.10, *Enterprise Logistics Information Technology [ELITE]*.

IRM 5.19.1.3.5.1 Collection First Read Process - CFRP, updated 9th bullet under paragraph (1).

1. In First Read (CFRP), work cases that can be closed within Five (5) minutes following appropriate balance due procedures in this IRM. The following are examples of some of the types of cases you should work, but there could be others.

- Here is my payment
- Address Change
- Telephone number input
- Misroutes (Cases belonging to Exam, AM, etc.)
- ST 72, 22, 71, and 26 (Route to appropriate area)
- Requests for balance due amount
- SIA
- Open control base
- Can't Pay (No financial statement is needed if balance below deferral; see IRM 5.19.1.1.6(2), *Case Processing Authority Levels.*)
- Short term full pay (up to 120 days)
- Did you receive my payment

NOTE: ST 72, 22, 71, and 26 (Route to appropriate area) ST 72 route based on the TC 520 cc; CDP/Appeals, Bankruptcy, Litigation, Refund Litigation, Tax Court, Civil penalty with Appeal Rights. Follow the TC 520 cc Chart in Document 6209, *IRS Processing Codes and Information*, for the definitions of the codes to ensure the case is routed properly.

IRM 5.19.1.4.3.1 Deceased Taxpayer- Balance Due Actions, added table to show ACS instructions in paragraph (6).

6. **When the primary taxpayer is deceased**, regardless of the balance owed, if neither the surviving liable party nor the estate show payment ability, input of TC 530 cc 08 will generate a TC 540 systemically on the account.

   If the account is in ST 22, send the case:

If ...	Then ...

If the AAB (CC SUMRY) due is less than #$------ -#,	a. Input TC 530 cc 08 using CC REQ77 /CC FRM77 on each module with a balance due.
	b. Input:
	  ▪ ACS: "TOC0,21,CNC".
	  ▪ ACSS: "TOS0,21,CNC"
	c. Document AMS.

If the AAB (CC SUMRY) due is #$--- ------#,	a. Request managerial approval:
	  ▪ ACS: "TOC0,05,NC08"
	  ▪ ACSS: "TOS0,05,NC08"
	b. Document AMS.
	c. The manager should confirm that required actions in IRM 5.19.1.4.3, *Deceased Taxpayers*, have been taken and documented in AMS, prior to approval of TC 530. Once confirmed, the manager should approve the closure by inputting

| | "NC08,,53APP" on ACS. |
| | d. The manager should document their approval in AMS as well. |

NOTE: Decedent procedures apply to IMF, BMF sole proprietorship and BMF partnership accounts (only if all liable partners are deceased).

IRM 5.19.1.5 Methods of Payment, updated paragraph (10) to include information on Direct Pay and updated reminder.

10. There are various methods for making monthly IA payments. When speaking to the taxpayer, encourage them to use PDIA, or one of the electronic methods. See IRM 5.19.1.5.4.6, *IA Payment Methods and User Fees (UF) Overview*, or credit card payments before accepting payment by check or money order:
    o For PDIA procedures, see IRM 5.19.1.5.4.15, *Form 2159, Payroll Deduction Agreement*.
    o If the taxpayer does not agree to a PDIA, but does agree to a DDIA and maintains a checking account, follow DDIA procedures, see IRM 5.19.1.5.4.14, *DDIA*.
    o IRS Direct Pay: IRS Direct Pay is a new payment application available to IMF taxpayers through www.irs.gov. It is a free service that allows taxpayers to make electronic payments directly to the IRS from their checking or savings accounts. See IRM 21.2.1.48.1, *IRS Direct Pay*, for further information.
    o EFTPS: EFTPS has the ability to schedule payments up to twelve months in advance for individual taxpayers and up to four months in advance for business taxpayers.

    NOTE: The taxpayer must initiate payments by sending instructions to EFTPS. See IRM 21.2.1.47, *Electronic Federal Tax Payment System (EFTPS).*

    o Credit/Debit Card IA payment; for procedures for paying by credit card see IRM 21.2.1.48, *Electronic Payment Options for Individuals and Business e-file Users* .

    REMINDER: For IRS Direct Pay, EFTPS and Credit/Debit Card payments, follow procedures to establish the IA on IDRS as if the taxpayer were mailing a check or money order, see IRM 5.19.1.5.4, *IAs.*

IRM 5.19.1.5.2 Can Full Pay Balance Due Now (Payoff), updated paragraph (3) to include information on Direct Pay. Updated table under paragraph (4) to include information on Direct Pay. Updated paragraph (5).

3. If payment is submitted via mail, IRS Direct Pay (IMF taxpayers only), EFTPS or credit card within ten days, follow Full Pay procedures in steps 4 - 10 below. For payments made after ten days, follow IRM 5.19.1.5.3, *Full Pay Within 60 or 120 Day Agreement.*

4. For payoff requests, compute the payoff as follows and document the amount and computation date on AMS:

Phones	Action
If the taxpayer will mail their payment or take to TAC Office,	Use ten days from the anticipated payment date.
For credit card payments,	Use the date the taxpayer states they will authorize the payment.
For payments made via IRS Direct Pay or EFTPS,	Compute the payoff amount to the date the payment is requested by the taxpayer unless requested after 8:00 PM ET; if so, use the next day.

Correspondence	Action
If the taxpayer will mail their payment by a specific date,	Compute the payoff to 21 days from the anticipated payment date.
If the taxpayer provides no date, or the date has passed,	Compute the payoff to 30 days from today.

5. For **COMBO accounts** in ST 22 or 24 (IMF or BMF) allow the full pay within 10 days and establish a firm date for filing the missing returns. Refer to IRM 5.19.2.5.5.4.2, *BMF Little or No Tax Due*, or IRM 5.19.2.5.4.5.3, *IMF Little or No Tax Due*. Refer to IRM 5.19.1.3.1(3), *Account Actions on Referral/Redirects*, for modules in ST 24. AMS must be documented with the terms of filing and payment commitments.

IRM 5.19.1.5.4 IAs, added note under paragraph (2) about Form 9465-FS, which is now obsolete. Removed references to Form 9465-FS throughout. Updated note under paragraph (4). Clarified language in paragraph (9). Updated paragraph (12).

2. Written requests stating one or more of the following statements:
   - I need to, or would like to make payments
   - I can send payments
   - send me a bill every month

o   I would like to make installments

IA requests are received on correspondence (including Form 433–D, *Installment Agreement*), and Form 9465, *Installment Agreement Request*. Only process correspondence as a valid IA request where it is clear the taxpayer has requested to make payments on their tax debt.

NOTE: Form 9465–FS, *Installment Agreement Request*, is now obsolete; however if one is received it may be accepted.

4. If Form 433 is received, input the financial data on AMS to determine if the taxpayers' ability to pay (full pay, IA or is unable to pay), refer to IRM 5.19.1.6, *Securing Financial Information*.

   EXCEPTION: If at any time during the process the taxpayer qualifies for, and agrees to a SIA, input of the financial information is not necessary. Input the IA as agreed to, document AMS with SIA information and destroy the Form 433.

9. **SIA $25,000 and under**: Type of entity:
     o   IMF
     o   Out of Business BMF
     o   BMF Income Tax ONLY (Form 1120, Form 1065 - Late Filing Penalty)

   The AAB (CC SUMRY) is $25,000 or less and:

     o   The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or
     o   The agreement **will** be fully paid prior to the CSED,

   whichever comes first. No financial statement, managerial approval or NFTL determination is required for SIAs. See IRM 5.19.1.1.6(4), *Case Processing Authority Levels*.

   NOTE: #--

   --#

12. **PPIA:** If full payment cannot be secured by the CSED and the taxpayer has requested to make payments or has some ability to pay, a PPIA should be considered. See IRM 5.19.1.1.6(4), *Case Processing Authority Levels*, and IRM 5.19.1.5.5, *PPIA*, even if the taxpayer qualifies for a CNC (establish account as a backup TC 530).

NOTE: Taxpayers entering PPIAs who have defaulted an IA in the past 24 months will be required to make monthly payments via DDIA or PDIA unless they are unbanked and unemployed/self-employed. See IRM 5.19.1.5.5.3.2, *Revising/Reinstating PPIAs*.

IRM 5.19.1.5.4.1 Determining Appropriate IA, added note about ST 24 cases to paragraphs (2) and (3) Updated table under paragraph (4).

2. When speaking to the taxpayer or working correspondence **and** the AAB (CC SUMRY) amount is $25,000 or less (including any modules in ST 53 or 23, as well as pre-assessed/unassessed modules), follow the procedures in the table below:

    EXCEPTION: For IBTF Express Agreements, see IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.

    NOTE: Refer to IRM 5.19.1.3.1(3), *Account Actions on Referral/Redirects*, for modules in ST 24.

If ...	And ...	Then ...
○ Form 433–D , *Installment Agreement*, ○ Form 9465, *Installment Agreement Request* (any revision date), ○ Correspondence, ○ Phone request, or ○ Face to face request	A monthly payment amount is proposed that **meets** Guaranteed IA criteria (See IRM 5.19.1.5.4(8), *IAs*),	1. Process as a Guaranteed IA for the monthly payment amount proposed by the taxpayer. 2. Send Letter 2273C, *Installment Agreement Accepted; Terms Explained*, (or other appropriate letter). See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines*. 3. Document AMS.
○ Form 433–D , *Installment Agreement*, ○ Form 9465, *Installment Agreement Request* (any revision date), ○ Correspondence, ○ Phone request, or ○ Face to face request	○ The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or ○ The agreement **will** be fully paid prior to the CSED,	1. Process as a SIA $25,000 and under for the monthly payment amount proposed by the taxpayer. 2. Send Letter 2273C, *Installment Agreement Accepted; Terms Explained*, (or other appropriate letter). See IRM 5.19.1.1.3, *Balance*

	whichever comes first,	*Due Outgoing Correspondence Guidelines.*
	NOTE: The payment amount need not be the same throughout the 72 months; it can be an IA with increasing payments provided the AAB (CC SUMRY) is full paid within 72 months,	3. Document AMS.
o Form 433–D , *Installment Agreement*, o Form 9465, *Installment Agreement Request* (revision 12–2011 or earlier), or o Correspondence	**No** monthly payment amount is proposed,	1. The proposal **does not** meet pending IA criteria. 2. **Do not** input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria.* 3. Send Letter 2272C, *Installment Agreement Cannot be Considered/Extension of Time to Pay Cannot be Considered* (or other appropriate letter), to the taxpayer to advise them their proposal could not be considered. **Do not** include Appeal rights. ▪ Include the minimum proposed monthly payment amount we can accept without additional financial information. ▪ Inform them if they cannot pay the minimum monthly payment amount, they should complete

		and submit Form 433–F, *Collection/Information Statement*. Enclose Form 433–F, *Collection/Information Statement*.
		▪ Advise the taxpayer we will stop further balance due notices and levies for 30 days from the date of the letter to allow them to submit a processable IA request. Inform them if they fail to submit one timely, they may receive additional balance due notices and be subject to enforced collection. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
		4. Close the case and allow the taxpayer time to resubmit a processable IA proposal.
		EXCEPTION: If the balance is less than deferral levels per IRM 5.19.1.1.6(2), *Case Processing Authority Levels*, then close the

		case using deferral procedures. - Notice Status cases only: Close case control and input a CC STAUP to the next status for 6 cycles. - ACS cases only: ACS: Input "TOC0,45,RESUBIA". ACSS: Input "TOS0,45,RESUBIA". 5. Document AMS.

o Phone request, or
o Face to face request,
	No monthly payment amount is proposed,	1. The proposal **does not** meet pending IA criteria.
		2. Inform the taxpayer that their IA request cannot be processed without a proposed amount. Advise them of the minimum monthly payment amount and terms we can accept without additional financial information.
		  - If the taxpayer proposes or agrees to a monthly payment amount that meets SIA criteria), grant the IA.
		  - If the taxpayer proposes a monthly payment amount **does not** meet SIA criteria, request financial information.

			EXCEPTION: If the balance is less than deferral levels per IRM 5.19.1.1.6(2), *Case Processing Authority Levels*, then close the case using deferral procedures. a. If the taxpayer immediately (verbally or by fax during the phone contact) supplies the financial information and an IA can be made, process it accordingly. See IRM 5.19.1.6, *Securing Financial Information.* b. If you **cannot** secure the financial information immediately (verbally

		or by fax during the phone contact), follow the instructions in paragraphs (3)-(5) below.
		3. If the taxpayer meets **all** Pending IA criteria, including a proposed monthly payment amount, input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		4. Send Letter 484C, *Collection Information Statement Requested (Form 433F/433D); Inability to Pay*, to the taxpayer.
		▪ Ask the taxpayer to complete and submit Form 433–F , *Collection/Information Statement*, within 30 days from the date of the letter. Enclose Form 433–F, *Collection/Information Statement*.
		5. Allow the taxpayer time to submit financial information. See IRM 5.19.1.5.4.7.2, *Requests Meeting Pending IA Criteria*.
		▪ Notice Status cases: Input a CC STAUP to the next status for 9 cycles.

		▪ ACS cases only: ACS: Input "TOR6,45,IAPND". ACSS: Input "TOS5,45,IAPND". 6. Document AMS.
○ Form 9465, *Installment Agreement Request* (revision 12–2012 or later) (or Form 9465–FS , *Installment Agreement Request*),	**No** monthly payment amount is proposed,	1. Establish an IA, using the minimum monthly payment amount to meet SIA $25,000 and under criteria. 2. Send Letter 2274C, *Your Request For Installment Agreement Has Been Granted.* See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines.* ▪ Provide the terms of the IA granted. ▪ Inform them if they cannot pay the minimum monthly payment amount, they should complete and submit Form 433–F , *Collection/Information Statement.* Enclose Form 433–F , *Collection/Information Statement.* 3. Document AMS.
○ Form 433–D, *Installment Agreement*, ○ Form 9465, *Installment Agreement Request* (any revision date),	A monthly payment amount is proposed that **does not meet** SIA $25,000 and under criteria **and** the taxpayer has provided financial	1. If IA cannot be input immediately, input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria.* 2. Analyze financial statement to determine

- Correspondence, - Phone request, or - Face to face request	information.
	
	EXAMPLE: Completed Form 433–F, *Collection/Information Statement.*
		if the proposed payment amount can be accepted. See IRM 5.19.1.6, *Securing Financial Information.*
		
		   a. If the proposed NSIA or PPIA **can** be accepted, grant the IA.
		   b. If the proposed NSIA or PPIA **cannot** be accepted, prepare for rejection of the IA and follow rejection procedures. See IRM 5.19.1.5.4.9, *IA Rejection Criteria.*
		
		3. Document AMS.

- Form 433–D, *Installment Agreement,* - Form 9465, *Installment Agreement Request* (any revision date), - Correspondence, - Phone request, or - Face to face request	A monthly payment amount is proposed that **does not meet** SIA $25,000 and under criteria **and** the taxpayer has **not** provided financial information.	1. If speaking with the taxpayer, inform them that their IA request cannot be processed without further information. Advise them of the minimum proposed monthly payment amount we can accept.
		
		   ▪ If the taxpayer agrees to this amount, grant the IA.
		   ▪ If the taxpayer does not agree to this amount, request financial information.
		
		   EXCEPTION: If the balance is

		less than deferral levels per IRM 5.19.1.1.6(2), *Case Processing Authority Levels*, then close the case using deferral procedures.
		
		NOTE: If working correspondence, request financial information. See paragraph b) below.
		
		   a. If the taxpayer immediately (verbally or by fax during the phone contact) provides the financial information, process it accordingly. See IRM 5.19.1.6, *Securing Financial Information*.
		   b. If you **cannot** secure the financial information immediately (verbally or by fax during the phone contact or working correspondence), follow the instructions in paragraphs (2)-(5) below.
		
		2. Input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.

		3. Send Letter 484C, *Collection Information Statement Requested (Form 433F/433D); Inability to Pay*, to the taxpayer.
		▪ Include the minimum proposed monthly payment amount we can accept without financial information.
		▪ Inform them if they cannot pay the minimum monthly payment amount, they should complete and submit Form 433–F, *Collection/Information Statement*. Enclose Form 433–F, *Collection/Information Statement*.
		▪ Ask the taxpayer to respond with the requested information within 30 days from the date of the letter.
		4. Allow the taxpayer time to respond with the requested information. See IRM 5.19.1.5.4.7.2, *Requests Meeting Pending IA Criteria*.
		▪ Notice Status cases: Input a CC STAUP to the next status

		for 9 cycles.
		▪ ACS cases only: ACS: Input "TOR6,45,IAPND". ACSS: Input "TOS5,45,IAPND".
		5. Document AMS, including the initial payment amount requested.

REMINDER: The first monthly payment should be at least the amount of the user fee when the proposed payment amount is less than the user fee; subsequent payments revert to the requested payment amount.

NOTE: If the taxpayer will make a Voluntary Lump Sum Payment (VLSP), see IRM 5.19.1.5.4.24, *VLSP*.

3. When speaking to the taxpayer or working correspondence and the AAB (CC SUMRY) amount is more than $25,000 (including any modules in ST 53 or 23, as well as pre-assessed/unassessed modules), follow the procedures in the table below. See IRM 5.19.1.1.6(4), *Case Processing Authority Levels*.

EXCEPTION: For IBTF Express Agreements IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.

NOTE: Refer to IRM 5.19.1.3.1(3), *Account Actions on Referral/Redirects*, for modules in ST 24.

If ...	And ...	Then ...
The taxpayer indicates they will make a payment that will reduce the balance due to $25,000 **or less and**, **CAUTION: Do not** establish an IA including a VLSP.	○ The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or ○ The agreement **will** be fully paid prior to the CSED,	1. Suspend the account to wait on the VLSP by entering: Notice Status — Input a CC STAUP to the next status for 6 cycles. ACS - "TOR6,XX,VLSP" ACSS - "TOS5,XX,VLSP" (XX = number of days for the VLSP to be received, plus 21) 2. Input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*. 3. Notate in AMS, the amount of the promised VLSP, the date the taxpayer promises to pay it and the terms and

The VLSP **must** be received before the IA can be granted.	whichever comes first,	conditions of the IA (i.e., total tax liability, payment amount and payment dates, user fee, see IRM 5.19.1.5.4.17, *IA Terms and Conditions*) agreed to by the taxpayer and the CR if VLSP is received.
		
		4. Inform the taxpayer if the VLSP is not received by the promised date, SIA $25,000 and under will not be considered and provide WOEA. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
		    ▪ If the VLSP is received by the target date, set up the SIA $25,000 and under as noted on prior AMS comments.
		    ▪ If the VLSP is not received by the target date, send the case to Independent Review. See IRM 5.19.1.5.4.9, *IA Rejection Criteria*.
		5. Document AMS.

The taxpayer is IMF or OOB BMF Sole Proprietor only and their balance is between $25,001 and $50,000,	○ The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or ○ The agreement **will** be fully paid prior to the CSED, whichever comes first,	1. Determine whether taxpayer meets SIA over $25,000 criteria per procedures in IRM 5.19.1.5.4.25, *SIAs Over $25,000*. 2. Document AMS.

The taxpayer is IMF or OOB BMF Sole Proprietor only and their balance is between $25,001 and $50,000,	A monthly payment amount is proposed, but:
	
	  ○ The AAB (CC SUMRY balance) **cannot** be full paid within 72 months **or** the agreemen t **cannot** be full paid by the CSED, **and**
	  ○ The taxpayer provides financial informatio n,
		1. If IA cannot be input immediately, input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria.*
		2. Analyze financial statement. Determine whether the proposed payment amount can be accepted. See IRM 5.19.1.6, *Securing Financial Information.*
		
		  a. If the proposed Non-SIA or PPIA can be accepted, grant the IA.
		  b. If the proposed Non-SIA or PPIA cannot be accepted, prepare for rejection of the IA and follow rejection procedures. See IRM 5.19.1.5.4.9, *IA Rejection Criteria.*
		
		3. Document AMS.

The taxpayer is IMF or OOB BMF Sole Proprietor only and their balance is between $25,001 and $50,000,	○ The AAB (CC SUMRY **balance**) **cannot** be full paid within 72 months **or** the agreemen t **cannot** be full paid by the CSED, **and**
	  ○ The taxpayer **does not**
		1. If speaking with the taxpayer, inform them that their IA request cannot be processed without further information. Ask them to provide a financial statement.
		
		NOTE: If working correspondence, request financial information. See paragraph b) below.
		
		  a. If the taxpayer immediately (verbally or by fax during the phone contact) provides the financial information, process it accordingly. See IRM 5.19.1.6, *Securing*

	provide financial informatio n,	*Financial Information*. b. If you **cannot** secure the financial information immediately (verbally or by fax during the phone contact or working correspondence), follow the instructions in paragraphs (2)-(5) below. 2. Input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*. 3. Send Letter 484C, *Collection Information Statement Requested (Form 433F/433D); Inability to Pay*. 　▪ Ask the taxpayer to complete and submit Form 433–F, *Collection/Information Statement*, within 30 days of the date of the letter. Enclose Form 433–F, *Collection/Information Statement*. 4. Allow the taxpayer time to submit financial information. See IRM 5.19.1.5.4.7.2, *Requests Meeting Pending IA Criteria*. 　▪ Notice Status cases: Input a CC STAUP to the next status for 9 cycles. 　▪ ACS cases only: ACS: Input "TOR6,45,IAPND". ACSS: Input "TOS5,45,IAPND". 5. Document AMS.
The	The taxpayer	1. If IA cannot be input

taxpayer is IMF or OOB BMF Sole Proprietor only and their balance **exceeds** $50,000,	provides financial information,	immediately, input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		2. Analyze financial statement. Determine whether the proposed payment amount can be accepted. See IRM 5.19.1.6, *Securing Financial Information*.
		a. If the proposed Non-SIA or PPIA can be accepted, grant the IA.
		b. If the proposed Non-SIA or PPIA cannot be accepted, prepare for rejection of the IA and follow rejection procedures. See IRM 5.19.1.5.4.9, *IA Rejection Criteria*.
		3. Document AMS.
The taxpayer is IMF or OOB BMF Sole Proprietor only and their balance **exceeds** $50,000,	The taxpayer **does not** provide financial information,	1. If speaking with the taxpayer, inform them that their IA request cannot be processed without further information. Ask them to provide a financial statement.
		NOTE: If working correspondence, request financial information. See paragraph b) below.
		a. If the taxpayer immediately (verbally or by fax during the phone contact) provides the financial information, process it accordingly. See IRM 5.19.1.6, *Securing Financial Information*.
		b. If you **cannot** secure

		the financial information immediately (verbally or by fax during the phone contact or working correspondence), follow the instructions in paragraphs (2)-(5) below.
		2. Input TC 971 AC 043. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		3. Allow the taxpayer time to submit financial information. See IRM 5.19.1.5.4.7.2, *Requests Meeting Pending IA Criteria*.
		
		    ▪ Notice Status cases: Input a CC STAUP to the next status for 9 cycles.
		    ▪ ACS cases only: ACS: Input "TOR6,45,IAPND". ACSS: Input "TOS5,45,IAPND".
		
		4. Send Letter 484C, *Collection Information Statement Requested (Form 433F/433D); Inability to Pay*.
		    ▪ Ask them to complete and submit Form 433–F, *Collection/Information Statement*, within 30 days of the date of the letter. Enclose Form 433–F, *Collection/Information Statement*.
		5. Document AMS.

4. For NSIA accounts of more than $10,000, make a NFTL determination. For NFTL filing procedures see IRM 5.19.4.5.1, *Before Filing Liens*, and IRM

5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP) Procedures*, for CAP information.

IRM 5.19.1.5.4.2 IA Requirements IBTF Express Agreement, update history codes in paragraph (10) and (12).

10. ACS employees sending the account for managerial approval must reassign the case using one of the following action histories:
    - o "TOC0,05,IBTDDIA" when the balance due is between $10,000 - $25,000.
    - o "TOC0,05,IBTFIA" when the balance due is less than $10,000.

12. After the IA is input, ACS employees must input action history:
    ACS: "TOC0,21,IADONE"
    ACSS: "TOS0,21,IADONE".

IRM 5.19.1.5.4.3 IA Requirements - In Business, Non Trust Fund, and/or Form 1120, U.S. Corporation Income Tax Return Only, updated paragraph (4).

4. W&I AM, SB/SE CSCO, ACS/ACSS and Field Assistance employees may grant an IA for In-Business No Trust Fund or Form 1120, *U.S. Corporation Income Tax Return*, income taxes if the balance due is less than $25,000 AAB (CC SUMRY) and will pay within 72 months. See IRM 5.19.1.1.6(4), *Case Processing Authority Levels*. The following guidelines apply:
    a. Prior to establishing an IA, a full compliance check must be completed. IRM 5.19.1.3.4.1, *Full Compliance Check*.
    b. Secure levy sources
    c. No financial statement is required
    d. No managerial approval is required
    e. No NFTL determination is required; however, a NFTL may be filed if in the judgment of the contact employee, it would protect the government's interest

       EXAMPLE: Pending sale of property.

    f. Input the IA using the appropriate ALN. Exhibit 5.19.1-11, *ALNs*.
    g. If rejection of the IA is recommended, refer the case for independent review. IRM 5.19.1.5.4.10, *Rejected IA Independent Review*.
    h. Document AMS comments.

IRM 5.19.1.5.4.5 Account Statuses Affecting IAs, added information about ST 24 to paragraph (10). Deleted paragraph (11). Renumbered remaining paragraph accordingly.

10. If the request exceeds your functional authority, follow instructions in IRM 5.19.1.3.1, *Account Actions on Referral/Redirects*.
11. Research IDRS and check for any balance due modules not current on IDRS (ST 23 or ST 53); these modules must be included in the IA. Take the following actions if ST 23 or ST 53 modules are involved.

    NOTE: You **must** input the IA before you CC MFREQ or the computer will not allow the CC IAGRE input.

    a. If ST 53 accounts are involved, input a TC 531, reversing the TC 530 and the modules must be included in the IA; use ALN XX32 and input a history on AMS or CC ENMOD if AMS not available, such as "IA30200812", to include the module in the IA and input assessment indicator "1" on CC IAGRE, allowing the module to be included without defaulting the IA.
    b. If ST 23 accounts are involved, input the IA with CC IAGRE, then CC MFREQ "C" the modules, and include them in the IA; use ALN XX32 and input a AMS history or CC ENMOD, such as "IA30200812", to include the module in the IA and input assessment indicator "1" on CC IAGRE, allowing the module to be included without defaulting the IA.
    c. For all functions, except ACS, if the only modules involved in the IA are in ST 23 or ST 53, and they are not current on IDRS, you must reverse the TC 530 or CC MFREQ the ST 23 accounts:

       NOTE: Hold the IA request until the module is returned to IDRS, usually two cycles and then input the IA.

    d. ACS takes all actions leading up to establishing the IA on IDRS, including financial statement processing and managerial approval when required.
    e. ACS and CSCO take the following actions:

If ...	Then ...
ACS call sites receive an IA request and the only modules involved are in ST 23 or 53 (no balance due modules on IDRS) **EXCEPTION:** If ACSS receives correspondence with modules only in ST 23, 24 or 53, follow Steps "a" through "d" (do not route to CSCO), and follow the	ACS takes the following actions: a. Input CC MFREQ. b. Input TC 971 AC 043. c. Inputs TC 531 if applicable. d. Documents all pertinent information regarding the IA request in AMS comments including: TIN

"Then" box below for processing.	Taxpayer name Tax years Terms and conditions of the IA The date of CC MFREQ and/or TC 531 input e. Sends Form 4442, *Inquiry Referral*, with action taken (CC MFREQ or TC 531) to the appropriate CSCO Operation.
CSCO receives Form 4442, *Inquiry Referral*, with CC MFREQ or TC 531 information	CSCO and ACSS take the following actions: a. Suspends request and review for IDRS update two cycles after the IDRS input. b. If the account is on IDRS, input the IA per comments on AMS, send letter, and destroy the Form 4442, *Inquiry Referral*. c. If the account is not present on IDRS, hold for one additional cycle. d. If the account is not present on IDRS after one additional cycle, verify the CC MFREQ or TC 531 was input correctly. e. If required, re-input and hold for the account to appear on IDRS. **REMINDER:** Control the case if more than 30 days from IRS received date and notify the customer.

IRM 5.19.1.5.4.6 IA Payment Methods and User Fees (UF) Overview, Updated paragraph (1) to include information about Direct Pay. Updated paragraph (2)(a). Updated last row of table under paragraph (11).

1. The following IA payment methods are available for the taxpayer
   o A **PDIA** is an IA whereby a taxpayer authorizes their employer to send a specific amount to the IRS each pay period. IRM 5.19.1.5.4.15, *Form 2159, Payroll Deduction Agreement*.
   o A **DDIA** is an IA where a taxpayer authorizes the IRS to request an electronic transfer of funds from their checking account or shared draft account to the IRS and is withdrawn on the same date every month. IRM 5.19.1.5.4.14, *DDIA*.
   o **IRS Direct Pay** is a new payment application available to IMF taxpayers through www.irs.gov. It is a free service that allows taxpayers to make electronic payments directly to the IRS from their checking or savings accounts. See IRM 21.2.1.48.1, *IRS Direct Pay*, for further information.
   o **EFTPS** is a system designed to utilize Electronic Funds Transfer (EFT) to pay all federal taxes. See IRM 21.5.7.4.7.15, *Electronic Federal Tax Payment System (EFTPS)*.
   o Taxpayers may use credit cards to make IA payments to the United States Treasury by phone or internet. See IRM 21.2.1.48.5, *Credit or Debit Card Payments (Pay by Phone or Internet)*.
   o Taxpayers can make payment by check or money order. IRM 5.19.1.5.4.6, *IA Payment Methods and User Fee (UF) Overview*.
2. Advise the taxpayer verbally or in writing that penalty and interest CONTINUE to accrue until the account is paid in full.
   a. Failure to Pay penalty is reduced to 1/4% per month for all accounts in an IA status which meet the criteria set forth in IRC 6651(h). The rate will also be reduced whenever a defaulted IA meeting such criteria is reinstated; for reduced penalty information see IRM 20.1.2.2.8.1.2, *1/4 Percent Penalty Rate — IRC 6651(h)*.
   b. The penalty continues at the reduced rate while the account is in any ST 6X.

11. There are very few instances when a user fee is waived. The user fee cannot be waived based on an individual decision from an IRS employee. The fee must be charged on all IAs except instances cited in the table below. When waiving the fee, enter a narrative on AMS.

If ...	And ...	Then ...
The taxpayer requests to revise a payment date or a payment amount meeting SIA criteria; no CIS is required,	The account is in ST 60 or 63,	Waive the reinstatement user fee.
The taxpayer	The AAB (CC	Waive the reinstatement

requests to add an additional liability to the IA,	SUMRY), is **less than deferral**; for deferral levels: see IRM 5.19.1.1.6(2), *Case Processing Authority Levels*,	user fee; the computer automatically includes these balances without defaulting the IA or charging a user fee if the taxpayer does not contact us.
The taxpayer requests to add an additional liability to the IA,	Full payment of the IA is only extended by two additional payments at the current monthly amount, **OR** The new balance due is $200 or less,	Waive the reinstatement user fee.
The IA was transferred from another campus due to an address and CLC code change,	**Intentionally left blank**	Waive the reinstatement user fee.
The taxpayer requests to full pay within 120 days; the taxpayer is not requesting to make monthly payments. This is not an IA; therefore, no user fee is charged,	**Intentionally left blank**	No fee is due, waive user fee Exhibit 5.19.1-13, *IA User Fee Codes*.
The IA was erroneously defaulted by IRS,	**Intentionally left blank**	Waive the reinstatement user fee.
The IA is reinstated after a bankruptcy is closed,	**Intentionally left blank**	Waive the reinstatement user fee.
The taxpayer had an IA established prior to entering a combat zone and now exited the combat zone,	**Intentionally left blank**	Waive the reinstatement user fee.
Converting a IA to a DDIA,	**Intentionally left blank**	Follow IRM 5.19.1.5.4.6.3, *User Fee Payment Transfer/User Fee Abatements*.

IRM 5.19.1.5.4.6.2 Manual Establishment of a User Fee Module, updated reference in paragraph (1).

1. User fees systemically correct within four cycles providing there are sufficient payments. Only if user fees **must** be corrected immediately should they been done so manually. To manually establish a user fee module (MFT 13 or 55), take the following actions using CC REQ77 /CC FRM77 (see IRM 5.19.1.5.4.6, *IA Payment Methods and User Fees (UF) Overview*):

   NOTE: If establishing an MMIA, establish the user fee module for the taxpayer requesting the IA.

   REMINDER: This is not always the primary taxpayer. If the secondary taxpayer requests the MMIA, remember to conduct complete filing research (under both TINs) to accurately determine whether they qualify for a reduced origination user fee. See IRM 5.19.1.5.4.18, *Taxpayer Responsibilities - When Submitting Payments*.

   a. Input TC 971 AC 082, representing the origination user fee, **or**
      TC 971 AC 083, for the reinstatement fee.
   b. Use the current year date as the tax period's year.
   c. Use "12" as the tax period month for MFT 13.

      EXAMPLE: 201312

   d. Use "01" as the tax period month for MFT 55.

      EXAMPLE: 201301

      NOTE: MF establishes the module by posting the TC 971 and bypasses the unpostable checks requiring an assessment TC 240 in the module.

      REMINDER: There are **no** TC 240 or reference numbers related to the user fee.

IRM 5.19.1.5.4.6.3 User Fee Payment Transfer/User Fee Abatements, deleted second bullet under paragraph (2). Updated paragraph (7) to show changes to user fees procedures involving IAs converted to DDIAs.

2. User fee discrepancies are collected through the User Fee Transfer Program; however, there are times when you should attempt to collect an unpaid fee:
   o MMIAs.

o The taxpayer requests the user fee paid.

7. Modifications may be necessary when a regular IA is converted to a DDIA. After taking all required steps to convert a regular IA to a DDIA, follow the procedures in the chart below:

If ...	Then ...
The $120 user fee was paid **within** the last two years (TC 694 date),	a. Reduce the user fee from $120 to $52. Transfer $68 back to the tax account, following the procedures above. **NOTE:** Through December 31, 2013, the origination user fee was $105. If an origination user fee of $105 was paid and the taxpayer requests conversion to a DDIA within two years of the date the user fee was paid (TC 694 date), then reduce the origination user fee from $105 to $52. Transfer $53 back to the tax account, following the procedures above. b. Update the UFC as appropriate: Exhibit 5.19.1-13, *IA User Fee Codes*.
The $120 user fee was paid **more than** two years ago (TC 694 date),	a. **Do not** reduce the user fee. **NOTE:** Through December 31, 2013, the origination user fee was $105. If an origination user fee of $105 was paid and the taxpayer requests conversion to a DDIA more than two years after the date the user fee was paid (TC 694 date), then **do not** reduce the origination user fee. b. No change to the user fee code should be necessary (i.e., the user fee code should remain "O" and the user fee paid code should remain "Y". See IRM 5.19.1.5.4.6(10), "IA Payment Methods and User Fees (UF) Overview".
The $120 user fee **has not** been paid yet,	1. Update the UFC to reflect a $52 user fee is due: Exhibit 5.19.1-13, *IA User Fee Codes*. 2. If the $120 is billed and paid subsequent to changing the UFC, the discrepancy will be corrected during IAAL processing.

The origination user fee of $43 is due or paid,	The taxpayer was designated a low income taxpayer. Therefore, no action is necessary, since the low income user fee is lower than both the regular origination fee and the DDIA origination fee.

IRM 5.19.1.5.4.7 Pending IA Criteria, added information concerning installment agreements received on obsolete Form 9465-FS to paragraph (2)(c). Updated table under paragraph (4).

2. To qualify for a pending IA, including independent review with appeal rights, a taxpayer must meet the following criteria:
    a. Provide information sufficient to identify the taxpayer, generally the taxpayer's name and TIN.

      NOTE: If a taxpayer furnishes their name, but no TIN, and the taxpayer's identity can be determined, identify as a pending IA if all other information is made available and the taxpayer is current in filing.

      CAUTION: If the taxpayer account is assigned to a field revenue officer (ST 26), follow procedures for forwarding case to the revenue officer in IRM 5.19.1.2.1(9), *For All Employees*. **DO NOT** take any other actions on the account.

    b. Identify or determine the tax liability to be covered by the IA.
    c. Propose a monthly or other periodic payment of a specific amount.

      EXCEPTION: If a Form 9465, *Installment Agreement Request* (revision 12–2012 or later), (or Form 9465–FS , *Installment Agreement Request*), is submitted with no dollar amount specified (and all other criteria met), then a SIA $25,000 and under can be established.

    d. Is in compliance with all filing requirements, both individual and business. For research procedures for full compliance check: IRM 5.19.1.3.4.1, *Full Compliance Check*.

4. A systemic suspension of the CSED during the time a proposed IA is pending is built into MF processing and is triggered by the following dates (as applicable):
    o TC 971 AC 043,
    o TC 972 AC 043,
    o TC 971 AC 063, and/or
    o TC 971 AC 163

    No TC 550 posts to MF. This suspension systemically updates the CSED field on IDRS.

NOTE: If the taxpayer previously proposed an IA, TC 971 AC 043 was input, but the account will not be closed by an IA, remember to reverse the TC 971 AC 043.

EXAMPLE: Account will be closed CNC. See IRM 5.19.1.5.4.22.1, *Withdrawal of IA Requests*.

IRM 5.19.1.5.4.7.1 Requests Not Meeting Pending IA Criteria, updated paragraph (1)(f).

1. Whenever an IA request is received that does not meet pending IA criteria:
   a. If speaking with the taxpayer, inform them what is required to meet pending IA criteria.
      - If the taxpayer is not in compliance, advise them to file the required returns.
   b. Send Letter 2272C, *Installment Agreement Cannot be Considered/Extension of time to pay Cannot be Considered* (or other appropriate letter), informing the taxpayer we need additional information to process their request to make monthly payments. Advise them what actions are needed for us to consider their IA proposal (see above) and enclose the following, as applicable:
      File any required return(s).
      Form 433–A, *Collection Information Statement for Wage Earners and Self-Employed Individuals*.
      Form 433–B, *Collection Information Statement for Businesses*.
      Form 433–D, *Installment Agreement*.
      Form 433–F, *Collection/Information Statement*.
      Form 9465, *Installment Agreement Request*.
      Form 2159, *Payroll Deduction Agreement*.

      EXCEPTION: If the balance **is less than** deferral levels per IRM 5.19.1.1.6(2), *Case Processing Authority Levels*, then follow instructions in IRM 5.19.1.5.4.1(2), *Determining Appropriate IA*.

   c. In addition, advise the taxpayer we will stop further balance due notices and levies for 30 days from the date of the letter to allow them to resubmit a processable IA request. However, if we do not receive one timely, they may receive additional balance due notices or be subject to enforced collection.
   d. **Do not** include the paragraphs regarding rejection and appeal rights.
   e. **Do not** input a TC 971 AC 043 on the modules or open a control base.
   f. Instruct the taxpayer to submit a new request for an IA when they file required return(s) and/or submit required information.

If ...	Then ...
Notice Status	• Input CC STAUP 2209 unless the request is

Accounts,	solely to delay collection.
ACS Accounts	▪ Assign ACS: "TOC0,45,RESUBIA" ACSS: "TOS0,45,RESUBIA".

NOTE: For requests received on Form 9465, *Installment Agreement Request*, (revision 12–2012 or later) (or Form 9465–FS, *Installment Agreement*) to make payments on balance due accounts $25,000 or less, without a specific monthly payment offer, and have no missing returns, see IRM 5.19.1.5.4.1(2), *Determining Appropriate IA*.

CAUTION: For requests solely to delay collection, follow instructions in IRM 5.19.1.5.4.9(3) & (4), *IA Rejection Criteria*.

IRM 5.19.1.5.4.14 DDIA, inserted alpha list under paragraph (3). Removed 3rd bullet and added note under paragraph (5). Updated paragraphs (7) through (9). Deleted paragraph (10) and renumbered remaining paragraphs accordingly. Updated renumbered paragraphs (10)-(12). Updated table under renumbered paragraph (14).

3. Advantages to the taxpayer include:
   - Reduced user fee.
   - No check to be mailed.
   - Postage savings.
   - No check processing charges.
   - No problem remembering to make the monthly payment.

   a. Advise the taxpayer of IRM 5.19.4.6.4.1, *Withdrawal of NFTL for Direct Debit Installment Agreements.*
   b. Consider providing the taxpayer Pub 1468, *Guidelines for Processing Notice of Federal Tax Lien Documents*, if the taxpayer has additional questions about the NFTL or refer the taxpayer to irs.gov to retrieve the publication.

4. To establish a DDIA, the taxpayer must submit a voided check or the routing and account number with their request.
5. CSCO and ACSS may process requests received in the following formats:

   - Form 433–D, *Installment Agreement*. This may be either an original form or a fax forwarded by an employee from any other function during telephone contact.
   - Form 9465, *Installment Agreement Request*. This may be an original form received attached to a tax return or received separately.

NOTE: Form 9465–FS, *Installment Agreement Request*, is now obsolete; however, if one is received, it may be accepted.

- o Electronic signature via Form 9465, *Installment Agreement Request*, sent with ELF-filed tax returns; these forms come with "TRPRT" printed at the top.
- o Photocopied Form 9465, *Installment Agreement Request*, with "9465W/AUR Assess" notated at the top of the page in red.
- o Taxpayer correspondence.

REMINDER: All DDIA requests must be completed and include all necessary information to establish a DDIA, including the taxpayer's signature.

6. Monthly reminder notices are not issued on DDIAs. Taxpayers not keeping up-to-date records often default on their IA due to insufficient funds in their bank accounts. Advise the taxpayer to keep their records up to date to avoid a default of their IA.
7. All non-ST 22 DDIA requests received in functions other than CSCO are routed to the CSCO campus with jurisdiction for the taxpayer account, per Balance Due State Mapping.

   EXCEPTION: If a non-ST 22 DDIA request is received in SB/SE PSC ACSS, it should be routed to PSC CSCO.

8. All ST 22 DDIA requests received in other functions will be routed to the appropriate ACSS site based on BOD Code and state mapping (W&I State Mapping or SB/SE State Mapping).
9. The DDIA process does not begin until their balance due tax return has posted or their assessment is made. As a result, the DDIA process takes longer on Pre-Assessed IAs. The taxpayer should be advised to send payments until the DDIA begins.

   NOTE: Pre-Assessed IAs **cannot** be processed for first-time filers. This is because the initial return establishes their entity. If a first-time filer requests a Pre-Assessed IA, advise them that we are unable to process their request. Ask them to contact us for a DDIA after their return has been processed and they receive their initial balance due notice.

10. Banking law requires the service to maintain a file of all DDIA's within CSCO, either by paper or electronic media. (Guidelines to be established by HQ). After ACSS inputs the DDIA through IDRS, the paperwork will be forwarded to the appropriate CSCO site based on Balance Due State Mapping.

    EXCEPTION: Kansas City and Philadelphia ACSS Sites will forward the completed DDIA paperwork to their co-located CSCO Operation.

11. DDIA requests received in CSCO should be input by the receiving CSCO campus; the receiving campus must maintain these files to work various

listings generated by the DDIA program. See IRM 5.19.1.10, *DDIA Monitoring Procedures – CSCO Processing*.

12. Any subsequent revisions to a DDIA are input through IDRS by the receiving CSCO site. See IRM 5.19.1.10.6, *Revising DDIAs*.

13. If necessary to review the paper DDIA request, use the Service Center Contact listing on SERP under Campus DDIA Liaisons; the site forwards the case file or notification the file cannot be found by fax within 48 hours to the requestor.

14. If a customer makes a telephonic request for a DDIA:

If ...	And ...	Then ...

The customer indicates they can fax the DDIA request,	It is a:
	
	o SIA $25,000 and under,
	o NSIA, or
	o PPIA,
		1. Have the customer fax the Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, to you during the call.
		2. **Do not** input to ST 60.
		3. Input TC 971 AC 043.
		4. If the account is in Notice Status, input CC STAUP the account to the next notice status for 9 cycles.
		If the account is in ST 22, input:
		SIA: "TOR6,45,DDIA"
		NSIAs or PPIAs:
		  ▪ Secure necessary managerial approval. See IRM 5.19.1.5.4.8, *IA Managerial Approval*.
		  ▪ If the balance due meets or exceeds established criteria, make a NFTL determination and advise the taxpayer of NFTL filing when appropriate; for criteria; for NFTL filing procedures, see IRM 5.19.4.5.2(2), *Lien Filing Determinations*, and IRM 5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP)*

		Procedures, for CAP information. 5. Document AMS with the terms of the IA as required in IRM 5.19.1.1.2, *Documenting Account Actions*, and IRM 5.19.1.5.4.13, *Input of IA*. 6. Annotate the top of the DDIA "**Received by Fax**". Fax to the appropriate CSCO site for non-ST 22 requests and the appropriate ACSS site for ST 22 requests (based on state mapping). 7. The CSCO or ACSS employee will input the DDIA request to IDRS and charge a $52 User Fee.
The customer indicates they can fax the DDIA request,	It is a SIA over $25,000,	1. Have the customer fax the Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, to you during the call. 2. **Do not** input to ST 60. 3. Input TC 971 AC 043. 4. If the account is in Notice Status, input CC STAUP the account to the next notice status for 9 cycles. If the account is in ST 22, input "TOR6,60,50KPND". 5. Document AMS with the terms of the IA as required in IRM 5.19.1.1.2, *Documenting Account Actions*, and IRM 5.19.1.5.4.13, *Input of IA*. 6. Annotate the top of the DDIA "**Received by Fax**", and fax to the appropriate CSCO site for non-ST 22 requests and the appropriate ACSS site for ST 22 requests (based on state mapping). 7. The CSCO or ACSS employee will input the DDIA request to IDRS and charge a $52 User

		Fee.

The customer does **not** indicate they can fax the DDIA request (includes correspondence requests),	It is a:
	
	○ SIA $25,000 and under,
	○ NSIA, or
	○ PPIA,
		1. For NSIAs or PPIAs:
		   ▪ Secure necessary managerial approval. See IRM 5.19.1.5.4.8, *IA Managerial Approval*.
		   ▪ If the balance due meets or exceeds established criteria, make a NFTL determination and advise the taxpayer of NFTL filing when appropriate; for criteria; for NFTL filing procedures, see IRM 5.19.4.5.2(2), *Lien Filing Determinations*, and IRM 5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP) Procedures*, for CAP information.
		2. Input to ST 60. See IRM 5.19.1.5.4.13, *Input of IA*.
		3. Inform the taxpayer they will need to make payments manually. Send them a Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, to complete, and provide the appropriate CSCO site return address (based on state mapping). Advise them that once we receive their authorization, we will convert their IA to a DDIA.
		4. Inform the taxpayer the agreed monthly payment amount on Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, cannot be less than

		the current agreed payment amount.
		5. CSCO will revise to a DDIA upon receipt of the request and update the user fee indicator. If the user fee was previously collected, then CSCO will make any necessary adjustments to the user fee per IRM 5.19.1.5.4.6.3, User Fee Payment Transfer/User Fee Abatements. **NOTE:** If the customer does not have all of the required information to establish a DDIA, encourage them to use the Online Payment Agreement (OPA) site.
The customer does **not** indicate they can fax the DDIA request (includes correspondence requests),	It is a SIA over $25,000,	1. Input TC 971 AC 043. **Do not** input an IA. 2. If the account is in Notice Status, input CC STAUP the account to the next notice status for 9 cycles. If the account is in ST 22, see IRM 5.19.1.5.4.25, *SIAs Over $25,000*, or IRM 5.19.1.5.4.25.1, *Reinstating SIAs Over $25,000*. 3. Send the customer a Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*. 4. Inform the taxpayer the agreed monthly payment amount on Form 433–D , *Installment Agreement*, or Form 9465, *Installment Agreement Request*, cannot be less than the current agreed payment amount. 5. Mail the Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request* to the

		taxpayer using IDRS Letter 2272C, *Installment Agreement Cannot be Considered/Extension of time to pay Cannot be Considered* (or other appropriate letter). Provide the appropriate CSCO return address for non-ST 22 requests and the appropriate ACSS return address for ST 22 requests (based on state mapping).
		6. CSCO or ACSS will input the DDIA upon receipt of the request. **NOTE:** If the customer does not have all of the required information to establish a DDIA, encourage them to use the Online Payment Agreement (OPA) site.
The proposed IA is an IBTF Express IA and,	The AAB (CC SUMRY) is **between** $10,000 and $25,000,	1. Follow IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.

NOTE: When issuing a letter on non-ST 22 accounts, use the CSCO Campus address for the letter return address. The CSCO Campus address is determined based upon Compliance Back-end mapping. See SERP, Who/Where tab, Collection Payments/Addresses/Issues, Campus Addresses for Collections. Select the appropriate return address based on the taxpayer's BOD and state of residence.

When issuing a letter on ST 22 accounts, use the ACSS Campus address for the letter return address based on state mapping. See SERP, Who/Where tab, Campus Program Locator Guide, Consolidated State Mapping for ACS Support and Collection Due Process (SB/SE) or Consolidated State Mapping for ACS Support & Collection Due Process (W&I).

NOTE: For the payment address, the Campus payment address is determined based upon Submission Processing mapping. See SERP, Who/Where tab, Collection Payments/Addresses/Issues, Collection Payments. Select the appropriate payment address based on the taxpayer's BOD and state of residence. Select the address shown in the "Without the CP521/523 Notice (Payment to Campus)" column.

CAUTION: Do not provide Lockbox Bank addresses verbally or via Correspondex letters. Lockbox will **only** process payments that are accompanied by a **CP 521**, *Installment Agreement Reminder Notice*, or **CP 523**, *Installment Agreement Default Notice*.

REMINDER: It is possible that different Campuses will be used for the return and payment addresses.

EXAMPLE: A W&I taxpayer in Notice Status residing in Texas requests an IA to full pay their account. The confirmation letter should show the Atlanta CSCO Campus for the return address and the Austin Submission Processing Campus for the payment address.

IRM 5.19.1.5.4.14.1 DDIA - Form 433-D, Installment Agreement, and Form 9465, Installment Agreement Request, deleted note under paragraph (3) and added exception. Updated table under paragraph (5)(a). Updated paragraph (5)(b) and deleted table. Added information concerning installment agreements received on obsolete Form 9465-FS to paragraph (6). Deleted last sentence in paragraph (7).

3. **Only** CSCO employees input, update and reinstate DDIAs on IDRS to avoid problems with withdrawing payments.

    EXCEPTION: ACSS may also input new DDIAs on IDRS

4. Before forwarding the DDIA to CSCO for input, take the following actions:
    a. Ensure the IA request meets IA requirements and pending IA criteria.
    b. If unable to establish an IA, see IRM 5.19.1.5.4, *IAs*.
    c. Follow rejection procedures in IRM 5.19.1.5.4.9, *IA Rejection Criteria*.
    d. If a financial statement was input, include the Form 433–F, *Collection/Information Statement*, and/or the AMS financial screen.
5. For revised DDIAs - new banking information with an existing DDIA do the following:
    a. **All Employees:**

If ...	And ...	Then ...
The taxpayer has new banking information,	**Intentionally left blank**	Secure a new Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, with a new signature and a voided check or new routing and account numbers. a. Inform the taxpayer they will receive a letter of confirmation once their new DDIA has been converted to the new account.

		b. Advise the taxpayer monthly reminder notices are not issued on DDIAs. Taxpayers not keeping up-to-date records often default on their IA due to insufficient funds in their bank accounts. Advise the taxpayer to keep their records up to date to avoid a default of their IA.
The taxpayer's request does not include necessary information to establish a DDIA,	It is a: ▪ SIA $25,000 and under, ▪ NSIA, or ▪ PPIA,	Establish the IA, requiring the taxpayer to send in payments each month and then: a. Correspondence - notify the taxpayer a DDIA could not be established due to insufficient information and they are required to send in their monthly payments until we receive complete information to establish the DDIA; send Letter 1961C, *Installment Agreement for Direct Debit Form 433–D*, or Letter 2273C, *Installment Agreement Accepted – Terms Explained*, (or other appropriate letter). See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines*. Enclose Form 433–D, *Installment Agreement* or Form 9465, *Installment Agreement Request*. b. Telephone - advise they will receive a letter with instructions on how to request a DDIA. Request they complete Form 433–D, *Installment Agreement*, or Form 9465, *Installment Agreement Request*, and return it, in order to establish a DDIA, or advise them to visit the Online Payment Agreement (OPA) site where they can request the IA themselves. c. Provide the address of the appropriate consolidated CSCO site.
The taxpayer's request does not include necessary information to	It is a SIA over $25,000,	Follow IRM 5.19.1.5.4.25, *SIAs Over $25,000*.

establish a DDIA,		
The taxpayer's request does not include necessary information to establish a DDIA,	It is an IBTF Express IA with an AAB (CC SUMRY) between $10,000 and $25,000,	Follow IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.

      b. **CSCO employees ONLY:** Follow IRM 5.19.1.10.5, *Input of DDIAs*.

6. All employees outside of CSCO Express Mail requests to the CSCO campus with jurisdiction over the taxpayer's account, using Form 3210, *Document Transmittal*. Note on Form 433–D , *Installment Agreement*, or Form 9465, *Installment Agreement Request*, "REVISED DDIA".

7. Mail the request using Express Mail, if available, to the appropriate consolidated CSCO. For requests to update or reinstate a DDIA request, except those for which the taxpayer is changing banks, getting a new account or routing number, prepare Form 4442, *Inquiry Referral*, and fax the information to the appropriate CSCO Operation within 24 hours.

IRM 5.19.1.5.4.14.2 Taxpayer Problems With DDIA, added exception for cases referred by Field to paragraph (2). Added Form 9465 to paragraph (3)(b). Updated paragraph (5).

2. All other employees prepare Form 4442, *Inquiry Referral*, and fax to the CSCO, DDIA liaisons at the campus having jurisdiction of the taxpayer account. Forward all pertinent information including
   - Nature of the problem.
   - Taxpayer telephone numbers.
   - Both routing number and account number, if available.
   - Best time to call.

   REMINDER: Please check AMS history. If a Form 4442, *Inquiry Referral*, has been submitted for the same issue within the last 30 days – **DO NOT** re-issue the Form 4442, *Inquiry Referral*.

   CAUTION: Neither CC MFREQ nor CC RECON are necessary when preparing the Form 4442, *Inquiry Referral*, if there is an active module on CC SUMRY or CC TXMOD . Using CC MFREQ or CC RECON delays the input of IAs (including DDIAs) for two (2) cycles. **DO NOT** use unless absolutely necessary.

EXCEPTION: *Field Collection* does not use Form 4442, *Inquiry Referral.* All reports of DDIA problems from Field Collection, will be on Form 4844, *Request for Terminal Action.*

3. If the taxpayer requests to change financial institutions, routing number or account number, an original signature requesting the change is required.
    a. If speaking to the taxpayer and they are able to fax their signed request, allow the taxpayer to fax the request; for faxed signature requirements: IRM 5.19.1.5.4.14, *DDIA.*
    b. If the taxpayer is unable to fax the request or if working correspondence, send the taxpayer Form 433–D , *Installment Agreement*, or Form 9465, *Installment Agreement Request*, and instruct they mail it to the campus having jurisdiction of their account.

5. When converting the DDIA to a regular IA:
    a. All functions other than CSCO:

If ...	Then ...
It is a: ▪ SIA $25,000 and under, ▪ NSIA, or ▪ PPIA,	1. Prepare Form 4442, *Inquiry Referral.* 2. Fax the form to the CSCO, DDIA Liaison at the campus having jurisdiction of the taxpayer account, within 24 hours of creation.
It is a SIA over $25,000,	Follow IRM 5.19.1.5.4.25, *SIAs Over $25,000.*
It is an IBTF Express IA with an AAB (CC SUMRY) between $10,000 and $25,000,	Follow IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement.*

    b. CSCO employees:

If ...	Then ...
It is a: o SIA $25,000 and under, o NSIA, or o PPIA,	1. Change to a regular IA requiring the taxpayer to mail payments until the DDIA information is updated. 2. Update the ALN. 3. Turn off the DDIA indicator. 4. Charge revision fee. See IRM 5.19.1.5.4.6, *IA Payment Methods and User Fees (UF) Overview.*

It is a SIA over $25,000,	Follow IRM 5.19.1.5.4.25, *SIAs Over $25,000*.
It is an IBTF Express IA with an AAB (CC SUMRY) between $10,000 and $25,000,	Follow IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.

REMINDER: The CSCO employee will make contacts with the taxpayer **IF** additional information is needed or there are problems with the request; CSCO must expedite Form 4442, *Inquiry Referral*, regarding the DDIA to avoid erroneous withdrawals or defaults. Due to the sensitivity regarding voluntary bank debits, the processing time frame is within 72 hours (3 business days) from the date received in CSCO. **DO NOT** advise the taxpayer they will be contacted by CSCO by phone. CSCO is responsible for sending closing letters on all DDIAs they establish.

IRM 5.19.1.5.4.18 Taxpayer Responsibilities - When Submitting Payments, added new paragraphs (4) and (5) with instructions on how to make payments to MFT 31.

4. When making a payment intended for an MFT 31 account, taxpayers should notate "PTNL" after their SSN and "MFT 31" in the memo section. "PTNL" helps to correctly apply the payment to the taxpayer's MFT 31 module.
5. If the taxpayer wants to make a payment using the Electronic Federal Tax Payment System (EFTPS), advise them to follow these steps in order to have the payment correctly applied to MFT 31:
   a. Select the payment tab.
   b. Select the drop down menu on "Select Tax Form".
   c. From the drop down menu, select "1040 Separate Assessment / Innocent Spouse".

IRM 5.19.1.5.4.19 MMIAs, updated note under paragraph (4)(e).

4. **All Other Employees** process accounts meeting criteria in paragraph (2) above as follows:
   a. Prepare Form 433–D, *Installment Agreement*.

      NOTE: If two or more taxpayers are involved (see paragraph (2)b above), prepare one Form 433–D, *Installment Agreement*, for each taxpayer.

   b. Indicate on Form 433–D, *Installment Agreement*, that the IA request was taken by phone.

c. Send Letter 2273C, *Installment Agreement Accepted; Terms Explained*, (or other appropriate letter) and include instructions to mail payments to the campus address where the account is located to each party requesting the IA. See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines*.

CAUTION: Do NOT provide lockbox addresses for these IAs.

REMINDER: If this is a joint account and only one of the taxpayers requests the IA, ensure only that taxpayer name appears on the letter.

CAUTION: If any modules are in bankruptcy ST 72, send all copies of Form 433–D, *Installment Agreement*, to the Centralized Insolvency Operation.

d. When the primary taxpayer requests the IA:

If ...	Then ...
The CLC is 35,	Input CC ASGNI 35006996.
The CLC is other than 35,	Change the CLC to 35 using CC INCHG , Doc Code 50, CLC 35 Group 00.

e. After the CLC change posts, input CC ASGNI 6996 assigning the account to CCP .

If ...	Then ...
The request to change the CLC or CC ASGNI does not take because of a freeze code on the account, **EXAMPLE:** A disaster freeze.	a. Send the paperwork to CCP . b. Include the information regarding the freeze condition and the need to monitor until the freeze is resolved.

NOTE: CCP will only accept MMIAs for processing from ROs, as well as ACS, FA and CSCO. CCP will not accept MMIA requests from other functional areas, including Appeals.

f. When the secondary taxpayer requests the IA:
Input CC STAUP 2200.
Do not change the CLC or the CC ASGNI so collection action may continue for the primary taxpayer.

EXAMPLE: Issuance of a manual levy.

If ...	Then ...
The primary taxpayer requests the IA,	Input a history item on CC ENMOD indicating "MMIATFCCP" (the MMIA was transferred to CCP).

The secondary taxpayer requests the IA,	1. Input a history item on CC ENMOD indicating "MMIATFCCP". 2. Input a second history "MMIA4SSSN" the (MMIA is for the secondary SSN only).

g. Input TC 971 AC 063 using CC REQ77 /CC FRM77.

   NOTE: If the IA is for the secondary taxpayer only, input the secondary taxpayer SSN in the XREF-TIN field.

h. Establish the user fee module for all MMIAs: IRM 5.19.1.5.4.6.2, *Manual Establishment of User Fee Module*

If ...	And ...	Then ...
The MMIA is for the secondary taxpayer only,	They have an Entity established,	Create the user fee module under the secondary taxpayer SSN.
They do not have an established Entity,	**Intentionally left blank**	1. Establish the user fee module under the primary taxpayer SSN. 2. Input a history on CC ENMOD indicating the user fee is for the secondary taxpayer.

i. Input comments on AMS reflecting the terms of the IA.

   NOTE: Ensure you enter the taxpayer name reflecting for whom the IA is established.

j. Attach the following items to Form 3210, *Document Transmittal*:

   - A copy of completed Form 433–D, *Installment Agreement*.
   - CC ENMOD print(s).
   - Comments.
   - Any other pertinent documentation including financial information.

k. Forward the complete package to PCS following address within seven days, see:
   http://mysbse.web.irs.gov/aboutsbse/aboutccs/ccsprog/casepro/ccpcoll/mailingprocedures/21073.aspx, Drop Point 5-E04-117.

IRM 5.19.1.5.4.22 Revision/Reinstatement of IAs, updated table under paragraph (6).

6. If an IA can be revised or reinstated, DO NOT allow another skip unless the IA left ST 6X and the taxpayer is negotiating a new IA. CC IAREV is returned for entering the new IA terms.

   CAUTION: If the taxpayer requests reinstatement of a DDIA or PDIA: IRM 5.19.1.5.4.15.1, *Input of PDIA*, for resolution; these accounts require special handling.

If ...	And ...	Then ...
The taxpayer made the required payment after **CP 523**, *Installment Agreement Default Notice*, issuance,	**Intentionally left blank**	a. Reinstate the IA. b. Advise the taxpayer of the user fee.
The taxpayer has not skipped a payment in the last twelve months and the terms of the IA do not change,	**Intentionally left blank**	a. Reinstate the IA. b. Advise the taxpayer of the user fee.
The taxpayer's financial condition changed,	They are now able to keep up with their payments,	a. Reinstate/revise the IA. b. Advise the taxpayer of the user fee.
The taxpayer's financial condition changed,	They are unable to keep up with the current payment amount or make up any payments, or requests to lower payments **AND** The account is above deferral and **does not** meet SIA criteria,	a. Secure financial information to determine the taxpayer's ability to pay. b. If the taxpayer is unable to provide financial information, prepare the request to lower payments for rejection; do not input TC 971 AC 043 or default or terminate the IA if in ST 6X. c. Reinstate the IA, if appropriate, after financial review. d. If the CSED is an issue after completing financial statement processing: IRM 5.19.1.5.5, *PPIA*, for a PPIA.

		e. Advise the taxpayer of the user fee. f. If the balance is above $10,000, make NFTL determination; for NFTL filing procedures: See IRM 5.19.4.5.1, *Before Filing Liens*. See IRM 5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP) Procedures*, for CAP information.
The taxpayer's financial condition changed,	They are unable to keep up with their current payment amount or make up any payments, and requests to lower payment amount The account is above deferral, **does meet** SIA criteria, and the CSED is not an issue,	a. Reinstate the IA and revise the payment amount. b. Advise the taxpayer of user fee.
The taxpayer's financial condition changed,	They are unable to keep up with their current payment amount or make up any payments, AND The account is below deferral, **AND** The CSED is not an issue, **NOTE:** If the CSED is not protected,	a. Reinstate the IA and revise the amount. b. Advise the taxpayer of the user fee.

	follow procedures below.	
The taxpayer's financial condition changed,	They are unable to keep up with or make up any payments, **AND** After completing financial statement processing, the taxpayer is unable to pay the account in full before the CSED expires,	a. See IRM 5.19.1.6.1, *Income Determination*. b. If the taxpayer is unable to full pay within the CSED, refer to PPIA procedures: IRM 5.19.1.5.5, *PPIA*.
The IA defaulted due to IRS error, **EXAMPLE:** Misapplied payment, or rejected for open TDI after 11/30/1999.	**Intentionally left blank**	a. If a TDI, request the taxpayer file the return and document in AMS history if the taxpayer promises to file. b. Shelve the TDI module with a TC 598 cc 082, allowing the current IA to continue. c. Reinstate the IA. d. If the account is other than ST 6X, enter the "original agreement acceptance date" on Line 7 of CC IAORG. **NOTE:** See Exhibit 2.4.30–3 , *Command Code* IAORG , Item 21, to ensure correct failure to pay penalty is charged. e. Waive the reinstatement user fee.
The IA defaulted due to accruals posting with a no change audit closure (PC 5),	**Intentionally left blank**	IA defaulted erroneously. a. Reinstate the IA. b. If the account is other than ST 6X, enter the "original agreement acceptance date" on Line 7 of CC IAORG. **NOTE:** See Exhibit 2.4.30–3,

		Command Code IAORG, Item 21, to ensure correct failure to pay penalty is charged. c. Waive the reinstatement user fee.
The taxpayer wants to add another liability to the IA,	**Intentionally left blank**	a. See IRM 5.19.1.5.4.23, *Adding New Liability to an Existing IA*, for processing instructions. b. Advise the taxpayer of the user fee if the IA is reinstated, unless it meets one of the criteria to waive IRM 5.19.1.5.4.6(10), *IA Payment Methods and User Fee (UF) Overview*,
The taxpayer wants to add another liability of $200 or less to the IA,	**Intentionally left blank**	a. See IRM 5.19.1.5.4.23(2), *Adding New Liability to an Existing IA*, for processing instructions. b. Waive the user fee if the IA is reinstated,

IRM 5.19.1.5.4.23 Adding New Liability to an Existing IA, updated paragraph (3)(e) & (f). Updated paragraph (4)(c).

3. You must take the following actions:
    a. Ensure compliance with estimated tax requirements and adequacy of withholding; if estimated payments were a condition of the previous IA and the taxpayer failed to keep any promise to make estimated payments, do not reinstate the IA.
    b. Prepare the request for rejection: IRM 5.19.1.5.4.9, *IA Rejection Criteria*.
    c. Do not terminate the IA.
    d. Allow the account to terminate systemically 13 cycles after default (ST 64).
    e. Address cause and cure: IRM 5.19.1.3.4.3, *Balance Due Taxpayer Education (Cause and Cure)*.
    f. Update levy sources per IRM 5.19.1.3.4.2, *Obtain and Verify Levy Sources*.
    g. Update the taxpayer address and telephone number.

EXCEPTION: AM assistors do not verify or secure telephone numbers on accounts below deferral level.

h. When the IA request does not meet SIA criteria:

If ...	Then ...
Financial information is available, is less than one year old AND The taxpayer indicates no change to their financial information,	1. Document AMS comments there is no change to the financial statement. 2. Forward to your manager for approval.
Financial information is available, is less than one year old AND The taxpayer indicates a change to the financial information,	1. Update the financial statement with new information. 2. Request substantiation applicable to the changes if needed: IRM 5.19.1.6, *Securing Financial Information*. 3. Document AMS comments. 4. Forward to your manager for approval if you receive all information.
No financial information is available and you are speaking to the taxpayer,	Prepare a financial statement using AMS. IRM 5.19.1.6(6), *Securing Financial Information*.
No financial information is available and you receive correspondence,	1. Prepare for rejection and request full payment of the new liability amount. 2. Enclose Form 433–F, *Collection/Information Statement*. 3. Do not terminate the IA; allow the account to terminate systemically seven cycles after default (ST 64).

i. Managerial approval is required if the IA does not meet SIA criteria.
j. You must make a NFTL determination if the IA does not meet SIA criteria and the AAB (CC SUMRY) is more than $10,000.

NOTE: All modules must have a NFTL determination prior to closing the account. This includes new modules where the AAB (CC SUMRY) including prior CNCs, Notice Status, etc. is $10,000 or more.

EXAMPLE: If the account has 5 open modules and the AAB (CC SUMRY) is $80,000 and is being closed as CNC, IA, etc. and the NFTL has been filed on only 4 modules and the new modules has an unpaid assessment of $7,000 it must be included on the new NFTL. If the AAB (CC SUMRY) is $10,000 or more and in this scenario the unpaid balance of assessment (CC SUMRY) would be $87,000.

For additional NFTL filing information see IRM 5.19.4.5.1, *Before Filing Liens*, and IRM 5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP) Procedures*, for CAP information.

    k. Charge the appropriate user fee:
       ST 6X = Reinstatement user fee.
       ST 22, 24, or 26 = Origination user fee.
       Or if low-income, charge a Reduced user fee.
       See IRM 5.19.1.5.4.6(4), *IA Payment Methods and User Fees (UF) Overview*, for a table of IA user fee rates. Also, see Exhibit 5.19.1-13, *IA User Fee Codes*.
    l. Waive the fee if:
       The account balance is below deferral.
       The new balance can be paid within two additional payments.

4. Add the new liability if the taxpayer still meets the IA criteria using CC IAGRE to generate CC IAREV :

    a. For a PDIA, send Letter 2571C, *To Employer: Discontinue/Adjust Payroll Deduction*, to the taxpayer so they can notify their employer to include the new assessment in the PDIA.
    b. If the PDIA requires an increase in the payment amount, schedule the increased payment amount to start the third month from the current cycle

    NOTE: The taxpayer is responsible for notifying their employer of the change. This allows time for the employer to schedule the increase in the payment amount and avoids having the IA default for insufficient payment.

    NOTE: Letter 3676C, *To Employer: Payroll Deduction Installment Agreement Letter*, may **only** be used by employees working FERDI accounts. See IRM 5.19.18, *Federal Employee/Retiree Delinquency Initiative (FERDI)*.

    c. If the taxpayer requests to add a new liability to an existing DDIA, fax Form 4442, *Inquiry Referral*, to the CSCO liaison within 24 hours at the campus having jurisdiction of the taxpayer account.

    NOTE:

REMINDER: Do NOT revise a DDIA using CC IAREV; only CSCO employees input revisions to DDIAs.

IRM 5.19.1.5.4.24 VLSP, revised second bullet under paragraph (2).

2. Suspend the account to wait on the VLSP by entering:

Notice Status
- o Input a CC STAUP to the next status for 6 cycles.
- o Send Form 4442, *Inquiry Referral*, to CSCO with the amount and date of the promised VLSP included in the comments.

ACS - "TOR6,XX,VLSP"

ACSS - "TOS5,XX,VLSP"

(XX = number of days for the VLSP to be received, plus 21)

IRM 5.19.1.5.4.25 SIAs Over $25,000, added note under paragraph (1)(d). Updated table under paragraph (3).

1. Beginning January 30, 2012 (and revised March 1, 2013), all employees are authorized to establish SIAs over $25,000 when the taxpayer meets the following criteria:
   a. IMF and Out of Business Sole Proprietor Taxpayers **ONLY**.
   b. The AAB (CC SUMRY) is between $25,001 and $50,000, and:
      - The AAB (CC SUMRY balance) **will** be fully paid in 72 months, or
      - The agreement **will** be fully paid prior to the CSED,
      whichever comes first.
   c. No managerial approval is required.
   d. No NFTL determination is required.

      NOTE: Advise the taxpayer that if they do not meet the required terms and the IA defaults, a NFTL may be filed.

   e. The IA **must** be established as a DDIA or PDIA.

   REMINDER: **Only** CSCO and ACSS employees may input DDIAs on IDRS. See IRM 5.19.1.5.4.14, *DDIA*.

   NOTE: SIA over $25,000 criteria was expanded to allow PDIAs as an allowable payment method on March 1, 2013.

NOTE: On March 1, 2013, the requirement to validate that the taxpayer has adequate income to support the proposed IA amount by use of the SLIAC or securing a CIS has been suspended except as noted in paragraph (4) below. Also, see IRM 5.19.1.5.4.25.1, *Reinstating SIAs Over $25,000.*

3. Encourage the taxpayer to make a VLSP to reduce the balance below $25,000. However, SIAs over $25,000 may **not** be granted where the first payment on the IA is a VLSP that is made to pay down the balance to meet the $50,000 or less AAB (CC SUMRY balance) threshold. Taxpayers **must** meet the $50,000 AAB (CC SUMRY balance) threshold at the time the SIA over $25,000 is granted. However, taxpayers with a liability greater than $50,000 can be considered for a SIA over $25,000 **if** they pay down the liability to $50,000 or less **prior** to the IA being granted. Use the following If/And/Then chart:

If …	And …	Then …
The AAB (CC SUMRY balance) exceeds $25,000,	The taxpayer agrees to make a VLSP to reduce the balance to meet SIA $25,000 and under criteria: 1. The AAB (CC SUMRY balance) must be reduced to $25,000 or under; and o The AAB (CC SUMRY) will be fully paid in 72 months, or o The agreement will be fully paid prior to the CSED, whichever comes first. **NOTE:** This	1. A SIA $25,000 and under can be granted per procedures in IRM 5.19.1.5.4.1(3), *Determining Appropriate IA*, and IRM 5.19.1.5.4.24, *VLSP.* 2. Document the results in AMS.

	must be verified by the Decision IA tool.	

The AAB (CC SUMRY balance) is between $25,001 and $50,000,	The taxpayer **does not** agree to make a VLSP to bring the AAB (CC SUMRY balance) to $25,000 or less,	a. The account does not meet SIA $25,000 and under criteria. Consider whether the taxpayer meets SIA over $25,000 criteria.
		   1. Determine if:
		      ▪ The AAB (CC SUMRY balance) will be fully paid in 72 months, or
		      ▪ The agreement will be fully paid prior to the CSED,
		
		    whichever comes first.
		
		    NOTE: This **must** be verified by the Decision IA tool.
		
		   2. Explain SIA over $25,000 requirements (including authorizing a DDIA or PDIA) to the taxpayer. If applicable, explain that a SIA over $25,000 will help them avoid a NFTL.
		
		    NOTE: Advise the taxpayer that if they do not meet the required terms and the IA defaults, a NFTL may be filed.
		
		b. If the taxpayer meets SIA over $25,000 criteria, follow instructions in paragraph (5).
		c. If:
		
		    ▪ The taxpayer's proposed monthly payment will not full pay the AAB (CC SUMRY balance) within 72 months,
		    ▪ The taxpayer's proposed monthly payment will not full pay the liability within the CSED, **OR**
		    ▪ The taxpayer does not agree to enter into a DDIA or PDIA,
		
		    then inform the taxpayer that they do **not**

		meet SIA over $25,000 criteria.
		
		d. If speaking with the taxpayer, inform them that their IA request cannot be processed. Ask them to provide a full financial statement.
		    ▪ If you cannot secure any financial information immediately (verbally or by fax during the phone contact) (including working correspondence), set a deadline for the taxpayer to provide the necessary financial information. See instructions in IRM 5.19.1.5.4.1(3), *Determining Appropriate IA*.
		e. If the taxpayer provides financial information, analyze it and determine whether the taxpayer meets Regular IA, PPIA or CNC criteria according to the financial statement results. See:
		IRM 5.19.1.6, *Securing Financial Information*,
		IRM 5.19.1.5.4(11), *IAs*,
		IRM 5.19.1.5.5, *PPIA*, or
		IRM 5.19.1.7.1, *CNC Policy and Overview*, as appropriate.
		f. If pending IA criteria is met, input TC 971 AC 043 to all balance due modules to be included in the IA. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		g. If Decision IA shows:
		    ▪ The AAB (CC SUMRY balance) will be fully paid in 72 months, or
		    ▪ The agreement will be fully paid prior to the CSED,
		
		whichever comes first, **AND** the taxpayer agrees to a DDIA or PDIA, follow the procedures in paragraph (5) below.
		
		h. Document the results in AMS.

The AAB (CC SUMRY balance) exceeds	The taxpayer agrees to make a VLSP to bring the AAB (CC SUMRY balance) to	a. Consider whether the taxpayer meets SIA over $25,000 criteria.
		
		    0. Determine if:
		        ▪ The AAB (CC SUMRY) will

$50,000,	$50,000 or less,	be fully paid in 72 months, or • The agreement will be fully paid prior to the CSED, whichever comes first. **NOTE:** This **must** be verified by the Decision IA tool. 2. Explain SIA over $25,000 requirements (including authorizing a DDIA or PDIA) to the taxpayer. If applicable, explain that a SIA over $25,000 will help them avoid a NFTL. **NOTE:** Advise the taxpayer that if they do not meet the required terms and the IA defaults, a NFTL may be filed. b. If the taxpayer meets SIA over $25,000 criteria, follow instructions in paragraph (5). c. If: • The taxpayer's proposed monthly payment will not full pay the AAB (CC SUMRY balance) within 72 months, • The taxpayer's proposed monthly payment will not full pay the liability within the CSED, **OR** • The taxpayer does not agree to enter into a DDIA or PDIA, then inform the taxpayer that they do **not** meet SIA over $25,000 criteria. d. If speaking with the taxpayer, inform them that their IA request cannot be processed. Ask them to provide a full financial statement. • If you cannot secure any financial information immediately (verbally or by fax during the phone contact) (including working

		correspondence), set a deadline for the taxpayer to provide the necessary financial information. See instructions in IRM 5.19.1.5.4.1(3), *Determining Appropriate IA*.
		e. If the taxpayer provides financial information, analyze it and determine whether the taxpayer meets Regular IA, PPIA or CNC criteria according to the financial statement results. See: IRM 5.19.1.6, *Securing Financial Information*. IRM 5.19.1.5.4(11), *IAs*, IRM 5.19.1.5.5, *PPIA*, or IRM 5.19.1.7.1, *CNC Policy and Overview*, as appropriate.
		f. If pending IA criteria is met, input TC 971 AC 043 to all balance due modules to be included in the IA. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		g. If Decision IA shows: ▪ The AAB (CC SUMRY) will be fully paid in 72 months, or ▪ The agreement will be fully paid prior to the CSED, whichever comes first, **AND** the taxpayer agrees to a DDIA or PDIA, set a deadline for them to make the agreed down payment. Advise them to provide a completed, signed Form 433–D , *Installment Agreement*, or Form 9465, *Installment Agreement Request*, or Form 2159, *Payroll Deduction Agreement*, with their payment.
		h. If the case is in Notice Status, Input "50KPND" in AMS comments. Input CC STAUP 2209 and establish a control on IDRS (if there is not already an open control). If the case is in ST 22, ACS: "TOR6,60,50VLSP" ACSS: "TOS5,60,50VLSP"
		i. Follow the procedures in paragraph (5) below.

		j.	Document the results in AMS.
The AAB (CC SUMRY balance) exceeds $50,000,	The taxpayer does not agree to make a VLSP to bring the AAB (CC SUMRY balance) to $50,000 or less,	a.	Inform the taxpayer that they do not meet SIA over $25,000 criteria.
		b.	If speaking with the taxpayer, inform them that their IA request cannot be processed. Ask them to provide a full financial statement. ▪ If you cannot secure any financial information immediately (verbally or by fax during the phone contact) (including working correspondence), set a deadline for the taxpayer to provide the necessary financial information. See instructions in IRM 5.19.1.5.4.1(3), *Determining Appropriate IA*.
		c.	If the taxpayer provides financial information, analyze it and determine whether the taxpayer meets Regular IA, PPIA or CNC criteria according to the financial statement results. See: IRM 5.19.1.6, *Securing Financial Information*. IRM 5.19.1.5.4(11), *IAs*, IRM 5.19.1.5.5, *PPIA*, or IRM 5.19.1.7.1, *CNC Policy and Overview*, as appropriate.
		d.	If pending IA criteria is met, input TC 971 AC 043 to all balance due modules to be included in the IA. See IRM 5.19.1.5.4.7, *Pending IA Criteria*.
		e.	Document the results on AMS.

IRM 5.19.1.5.4.25.1 Reinstating SIAs Over $25,000, added note under paragraph (8).

8. All SIAs over $25,000 **MUST** be established as DDIAs or PDIAs. This helps the taxpayer avoid a NFTL filing (if one is not already present). Follow procedures in IRM 5.19.1.5.4.14, *DDIA*, or IRM 5.19.1.5.4.15, *Form 2159, Payroll Deduction Agreement*, for establishing the DDIA or PDIA.

NOTE: Advise the taxpayer that if they do not meet the required terms and the IA defaults, a NFTL may be filed.

REMINDER: **All** SIAs over $25,000 will use 36 in the YY position of the ALN. See Exhibit 5.19.1-11, *ALNs.*

REMINDER: **Only** CSCO and ACSS employees may input DDIAs on IDRS.

CAUTION: SIAs over $25,000 **cannot** include a backup CNC. If the taxpayer defaults on the DDIA, the taxpayer must provide a full financial statement to determine the appropriate case resolution.

IRM 5.19.1.5.5.3.2 Revising/Reinstating PPIAs, added note to paragraph (3).

3. Document AMS to show the reason for the previous default. If no new financial statement is needed, document why the PPIA is being reinstated for the same terms.

   NOTE: Taxpayers entering PPIAs who have defaulted an IA in the past 24 months will be required to make monthly payments via DDIA or PDIA unless they are unbanked and unemployed/self employed. If this is not possible, a PPIA may still be granted. The reason that a payroll deduction or direct debit agreement could not be secured **must** be documented in the case history.

IRM 5.19.1.6.3 Asset/Income/Expense Verification and Substantiation, updated paragraph (5).

5. Paper substantiation from the taxpayer, faxed or mailed, is required:
   - o If the amount claimed for income or any expenses appears to be unreasonable (per employee judgment) or the expense amounts claimed exceed the ALE standards, and
   - o Allowing these other expenses will result in a PPIA or CNC hardship.

   REMINDER: Paper substantiation should **also** be secured in cases where the taxpayer's explanation does not correspond to the internal sources verified.

   EXCEPTION: Paper substantiation is **not** required if allowing these other expenses will result in a NSIA. However, employees should use sound judgment to determine if the taxpayer's verbal justifications for income/expense discrepancies provide adequate substantiation.

   REMINDER: **DO NOT** direct the taxpayer to send all or part of the following information in general, or when being asked to complete the Form 433. Items

should only be requested if during the process of financial input on the AMS screens the items being substantiated will be allowed.

IRM 5.19.1.7.1.3 CNC Unable to Pay - Hardship, added note under paragraph (4). Updated table under paragraph (6) to remove instructions for Withholding Compliance referrals.

4. If the taxpayer calls and is claiming that a levy on salary or wages is creating a hardship, follow the procedures in IRM 5.19.4.4.10, *Levy Release: General Information*. If the hardship is verified, the levy must be released. If the taxpayer has unfiled return(s) the CR should inform the taxpayer that he/she has unfiled returns and provide adequate time for the preparation of the returns.

   NOTE: There is no requirement that taxpayers experiencing economic hardship be in filing or payment compliance before a levy is released. See Vinatieri v. Commissioner, 133 T.C. 392 (2009).

   Follow the below procedures:

   Balance Due Account Only:

   o If it is determined that the account meets CNC hardship criteria, CNC the balance due modules and release all levies on wages or salary immediately. Release any other levies if they are causing an economic hardship for the taxpayer. See examples below.

   Combo Cases:

   o If it is determined that the account meets CNC hardship criteria, CNC the balance due modules and release all levies on wages or salary immediately. Release any other levies if they are causing an economic hardship for the taxpayer. See examples below.
   o If it is a balance due notice account and there is a related TDI in Notice, ACS, or the queue follow the below.
   o There are instances where the TDI can be closed without securing the return(s);

If ...	Then ...
TDI meets P-5-133 criteria	Close the TDI little or no tax due. See IRM 5.19.2.5.4.5.3, *IMF Little or No Tax Due*.
Income is below filing requirements	Close the TDI not liable for the period(s) in question. See IRM 5.19.2.5.4.5.1, *IMF Response Taxpayer Not Liable (Income Below Filing Requirements)*.

IMF Refund Due	Close TDI refund due. See IRM 5.19.2.5.4.5.2, *IMF Refund Due*.

- o The taxpayer must be given a reasonable deadline (not to exceed 30 days & 60 days for international) to complete the return(s) and mail them in unless the taxpayer is stating they want to fax the return(s).
- o If the return(s) are not received close the stand alone TDI per IRM 5.19.2.5.4.5.4(5), *IMF Taxpayer Liable*.
- o ACS and ACSS: After inputting TC 530 cc XX (XX = 24-32) for the TDA's, input TC 598 cc 032 or cc 082 to shelve the RD module while the balance due account is in CNC (ST 53).
- o Document the AMS history. CSCO and ACSS close your correspondence/control.

> **CAUTION:** Once it is determined that the taxpayer has a hardship the balance due accounts must be closed CNC.

EXAMPLE: Taxpayer A has submitted a financial statement that shows he can pay all allowable living expenses, but has nothing available to pay IRS at this time. We must release wage and salary levies. If the taxpayer is expecting a payment from an insurance settlement we can levy on that. That particular levy will not create an economic hardship see IRM 5.19.4.4.10, *Levy Release: General Information*.
Taxpayer B has submitted a financial statement that shows he does not have enough monthly income to pay his house payment monthly and is 3 months behind on his mortgage. This would be considered an economic hardship. In this case the levy on the insurance settlement could create an economic hardship (foreclosure). The IRS would release the levy.
Taxpayer C has submitted a financial statement that shows he does not have enough monthly income to pay his house payment monthly because he took a cut in pay. He is 2 months behind on his mortgage ($1,000), but starts getting paid more next week. In this case the levy on the insurance settlement ($3,000) could create an economic hardship (foreclosure) so we would release at least a portion of that levy ($1,000). We could still attach to the amount above and beyond what the taxpayer needs to catch up with his payments.
Taxpayer D the taxpayer has an unexpected emergency which is preventing the taxpayer from providing for their basic necessities. It may be a one time issue and can be supported by the taxpayer's documentation. In this situation partially release the levy.

5. If the account being reported CNC is a BMF out of business account, ensure all filing requirements are closed.
6. If the taxpayer is unable to pay and the liability is a result of under withholding continue with the CNC process (financial, etc.) and CNC if necessary.
7. If the determination is made that account will be closed CNC (unable to pay) it is required that the taxpayer/POA be informed of the CNC terms and that the CNC was approved by issuing Letter 4624C, *Case Closed -- Currently Not Collectible; Lien Filing Notification on Currently Not Collectible*.

8. At times, the taxpayer, who meets hardship criteria, requests an IA rather than a CNC. In this scenario, establish the IA or PPIA with a back-up 53. Refer to Exhibit 5.19.1-11, *ALNs*.
9. Values for unable-to-pay codes are:

Value	Closing Code	Monthly Expenses
$20,000	24	$00 - $1,388
$28,000	25	$1,389 - $1,944
$36,000	26	$1,945 - $2,500
$44,000	27	$2,501 - $3,055
$52,000	28	$3,056 - $3,611
$60,000	29	$3,612 - $4,166
$68,000	30	$4,167 - $4,722
$76,000	31	$4,723 - $5,277
$84,000	32	$5,278 – or more

EXAMPLE: The taxpayer's monthly allowable expenses are $1,000. Multiply $1,000 ×12 = $12,000 × 120% = $14,400. Closing Code 24 is the next highest cc to the taxpayer's allowable expense of $14,400.

   a. Multiply the total allowable monthly expenses times 12, times 120%.
   b. Use the hardship cc most closely corresponding to the Taxpayer's allowable expenses.

   Do not select a code below the taxpayer's allowable expenses.

   CAUTION: All outstanding levies on salary or wages must be released when a case is closed under hardship provisions.

IRM 5.19.1.9.2.1 Identity Theft Processing, updated paragraph (6).

6. If an active levy, see IRM 5.19.1.9.6, *Addressing Outstanding Levies*.

IRM 5.19.1.9.6 Addressing Outstanding Levies, inserted new section.

1. If there is a balance due **not** attributable to identity theft, collection activities, including the appropriate use of enforced collection action, are not prohibited when a taxpayer has established that he/she was a victim of identity theft.
   a. Be sensitive to the adverse impact that being a victim of identity theft may have upon a taxpayer and his/her ability to pay.
   b. Consider temporarily suspending the account until the identity theft incident is resolved in cases where you determine the identity theft will have an adverse impact on the taxpayer's ability to pay.

NOTE: Caution should be used to ensure collection activities are taken only on balance due modules not attributable to identify theft.

2. If the taxpayer claims financial hardship as a result of a tax-related identity theft issue:
    a. Prepare and submit Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*. If the taxpayer requests to contact Taxpayer Advocate Service directly, advise the taxpayer to call 1-877-777-4778 toll-free, or go to http://www.irs.gov/advocate/.

       CAUTION: If IRS can provide relief or take a substantive action towards providing relief within 24 hours, do not send the case to TAS.

    b. If the taxpayer is an individual, refer to IRM 10.5.3.1.2.5, *Taxpayer Interaction*.
    c. If the ID Theft situation involves a business, refer to IRM 10.5.3.3.1, *Definition of Business ID Theft*.

   , prepare and submit Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*. If the taxpayer requests to contact Taxpayer Advocate Service directly, advise the taxpayer to call 1-877-777-4778 toll-free, or go to http://www.irs.gov/advocate/.

3. Review the case history for outstanding enforcement activity that may need to be corrected, i.e., levies, liens.
4. A levy attaching the assets of the victim in a mixed entity case must be immediately released. Accounts should be adjusted and all pre-levy notices properly issued before levy re-issuance. See IRM 5.1.28.8, *Identity Theft Case Resolution*, for actions after levy release. See IRM 21.6.2.4.2, *Multiple Individuals Using the Same TIN*, for appropriate adjustment actions.

   EXCEPTION: If no account adjustment is required and all pre-levy notices were properly issued a levy may remain in effect unless a circumstance outlined in IRM 5.11.2.3.1, *Legal Basis for Releasing Levies*, is present. Also see IRM 5.1.28.8, *Identity Theft Case Resolution*, for required actions on cases involving ID Theft.

5. A levy attaching to assets of non-owner of the TIN for which:
    a. The Service assessed the liability in the name of the non-owner of the TIN,
    b. The Service issued all pre-levy notices properly to non-owner of the TIN,
    c. The Service assessed the liability under the **TIN/SSN of the victim**,
    d. The assessment is based solely on the **income of the non-owner of the TIN**, and
    e. There are no credits (payment offset, etc.) attributable to the victim for the assessment listed on the levy,

may remain in effect unless a circumstance outlined in IRM 5.11.2.3.1, *Legal Basis for Releasing Levies*, is present. The assessment is not invalid for the sole reason that it was made under the victim's TIN/SSN.

NOTE: If unable to determine if the liability of the non-owner of the TIN is satisfied then release the levy until the account can be adjusted to ensure the levy is not enforced on a satisfied liability.

REMINDER: To prevent re-issuance of levy, change levy source to "INFO ONLY".

IRM 5.19.1.9.6.1 Addressing ACS Paper Levies, inserted new section.

1. When the taxpayer claims to be a victim of ID Theft and documentation has not been received, a levy release is not warranted unless there is a hardship situation. On ACS, ensure account is in the "O" function inventory.
2. When the taxpayer claims to be a victim of ID Theft and documentation has been received, the levy should be released only for the tax modules affected by the ID Theft.
3. Follow IRM 5.19.4.4.10, Levy Release: General Information, for full and partial levy release procedures.
4. **For employees without access to ACS**, if a levy release is warranted, fax Form 14394, *Identity Theft/Return Preparer Misconduct Case Collection Alert*, to the appropriate ACSS ID Theft/ITAR Coordinator. Be sure to provide ID Theft support documentation, including documenting the tax module(s) affected by the ID Theft. See SERP, Who/Where, ID Theft/ITAR Coordinator.

   NOTE: Consider a release of a levy based on prior indication of ID Theft TC 971 AC 501 or AC 506 on IDRS.

IRM 5.19.1.9.6.2 Addressing Outstanding FPLP Levies, inserted new section.

1. A thorough review of the account must be conducted to ensure that all tax years affected by tax related identity theft are blocked from the FPLP program.
2. When a TC 971 AC 501 or AC 506 has not posted to the entity for tax administrative ID Theft, employees, must take steps to block outstanding FPLP levies.
   a. When a module has been selected for FPLP (unreversed TC 971 AC 060) it may be necessary to input a manual block. Refer to IRM 5.19.9.3.7, *FPLP Levy Release: General*.
   b. When a FPLP account is matched with a Federal payment or FPLP account (unreversed TC 971 AC 062) and the disbursement of the

Federal payment is imminent, an immediate FPLP release through the FPLP coordinator may be necessary, see IRM 5.19.9.3.7.1, *Immediate Release Through the FPLP Liaison*.

3. When a TC 971 AC 501 or AC 506 is posted, FPLP will automatically block the tax modules entered into the secondary date field. However, depending on when the TC 971 AC 501 or AC 506 was input, there may be a need for an immediate release where the disbursement of the Federal payment is imminent. Follow the procedures in IRM 5.19.9.3.7.1, *Immediate Release Through the FPLP Liaison*.

   CAUTION: Do not manually block the case from levy if the assessment is not a result of the identity theft.

IRM 5.19.1.9.7 Identification Theft - Wrongful Levy Situations, changed title to Identification Theft and Disposition of Levy Proceeds. Section completely rewritten.

1. This section has been developed to provide guidance for cases that involve ID Theft issues where the individual calling was levied and levy proceeds have been sent to the Service. The caller may be the owner or non-owner of the TIN. Ensure the levy has been released.
2. The IRC distinguishes between "wrongful" levies and other types of improper or "erroneous" levies.
   a. A "wrongful" levy is one that improperly attaches property belonging to a third party in which the taxpayer has no rights. (See IRC 6343(b)) The Code specifically authorizes release of wrongful levies. See IRM 5.11.2.3.2.1, *Wrongful Levy*, for wrongful levy procedures.
   b. An "erroneous" levy is one that properly seeks to capture a taxpayer's property (rather than a third party's property), but nevertheless is served prematurely or otherwise in violation of an administrative procedure or law. (See IRC 6343(d).) See IRM 5.11.2.3.2.3, *Erroneous Levies*, for erroneous levy procedures.

      NOTE: Do not confuse this situation with one where the taxpayer (SSN owner) does not owe a liability. See IRM 5.19.1.9.7.1(2), *Returning Proceeds from Wrongful Levy – (Non Owner)*.

IRM 5.19.1.9.7.1 Processing Guidelines for ACS/ACSS Employees, moved existing instructions to new IRM 5.19.1.9.8. Changed title to Returning Levy Proceeds to ID Theft Victims - (SSN Owner). Inserted new section.

1. These procedures address cases where the owner of the SSN claims the Service levied on property he or she has an interest in to satisfy the tax liability that does not belong to them.

2. When the SSN owner is claiming a refund of levy proceeds because the levy was based on the assessment of liability not belonging to the taxpayer, consideration for returning the payments falls under normal payment RSED procedures and time frames (2 years from the payment date).
3. Under the following circumstances, the levy proceeds should be returned to the SSN owner:
    a. An ID thief (non-owner of the SSN) has filed a return in the taxpayer's name.
    b. The SSN owner (taxpayer) did not have a filing obligation or at least didn't file a return, which delayed discovery of the ID Theft.
    c. The ID Theft return either was audited or reviewed and there is an assessed balance on the victim (SSN owner) account that the IRS is attempting to collect (defaulted deficiency or summary assessment of overstated withholding).
    d. The IRS has used its levy authority to collect against the assessment.
    e. The IRS determines it should abate the assessments created as a result of the return filed by the non-owner of the SSN. The taxpayer's account will have a zero liability and a credit balance equal to the amount of levy proceeds.

       NOTE: Because the assessment and levy were for the taxpayer/victim, rather than an assessment for a taxpayer and a levy on a third party, the 9 month wrongful levy statute does not apply.

IRM 5.19.1.9.7.2 Returning Proceeds from Wrongful Levy - (Non Owner), inserted new section.

1. The non-owner of the TIN may file a wrongful levy claim for return of levy proceeds (from the assets of the non-owner of the TIN) already received and processed by the Service. See IRM 5.19.1.9.7(2)a, *Identification Theft and Disposition of Levy Proceeds*, for definition of "wrongful" levy.
2. A "wrongful" levy claim may be appropriate when:
    a. The assessment is based solely on the SSN owner's income, since the levy improperly attaches to property belonging to a third party (the non-owner(s) of the TIN).
    b. The assessment is based on the combined income of the non-owner(s) of the TIN and the owner's, since the levy may have improperly attached to property belonging to a third party (the non-owner of the TIN).
    c. The assessment is based on the combined income of multiple non-owners, since the levy may have improperly attached to property belonging to the third parties.
3. When speaking with the caller, secure information to determine that the individual requesting the return of levy proceeds is the non-owner of the SSN and not the owner of the original SSN. Verify the following:
    a. Name, address and SSN/ITIN.

b. The levy issued was to a source belonging to the non-owner of the SSN based on the taxes assessed under the SSN of the rightful owner or assessed in the name of the victim based on the earnings of the non-owner of the SSN.

EXAMPLE: The non-owner proves use of the SSN via pay stubs or any other substantiating document and has rent/utility receipts where current name/address is the name/address on CC IRPTR print out and pay stubs show use of that SSN.

c. The non-owner must provide substantiation to show ownership of the levy payments.
d. Taxes were assessed on the account of the rightful owner of the SSN or assessed based on the earnings of the non-owner of the SSN.
e. The true owner's account (SSN) is being used by the owner and the non-owner (not merely by the non-owner to work).
f. Contact from non-owner must be within 9 months of the date of the levy.

NOTE: If IRS is contacted more than 9 months after the date of the levy, we have **no** authority to return the wrongful levy payments.

4. See IRM 5.11.2.3.2.1, *Wrongful Levies*, for appropriate action. Contact Advisory & Insolvency (AI)-Advisory to determine if the non-owner of the TIN would qualify for wrongful levy claim consideration.
   a. AI-Advisory will evaluate a properly filed claim. If the claim is disallowed, AI- Advisory should notify the third party in writing of the reason for disallowing the claim and of the right to bring suit against the government. If the claim is disallowed because it was not made within nine months from the date of the levy, AI-Advisory should send Letter 3973, *Wrongful Levy Claim Rejection Letter - Untimely Claim* via certified mail.
   b. If the claim is disallowed for another reason, AI-Advisory should send the claimant Letter 3974, *Wrongful Levy Claim Rejection Letter*, via certified mail. Disallowance of the claim may be appealed through the Collection Appeals Program (CAP).
5. If a levy is served where the Service:
   o Assessed the liability in the name of the non-owner of the SSN,
   o Issued all pre-levy notices properly to non-owner of the SSN,
   o Assessed the liability under the name of the SSN owner,
   o The assessment is based solely on the income of the non-owner, and
   o There are no credits (payment, offset, etc.) attributable to the SSN owner for the assessment listed on the levy,

the levy may remain in effect unless there is an independent basis for releasing it. See IRM 5.11.2.3.1, *Legal Basis for Releasing Levies*. The assessment is not invalid for the sole reason that it was made under the victim's TIN/SSN.

REMINDER: To prevent re-issuance of levy, change levy source to "INFO ONLY".

IRM 5.19.1.9.8 Processing Guidelines for ACS/ACSS Employees, moved from IRM 5.19.1.9.7.1.

1. If the caller (non-owner of the SSN) has documentation/verification readily available, instruct the caller to fax the information into the IRS during the call. The phone assistor is required to take all necessary action during the call and document AMS with all actions taken.

If ...	And ...	Then ...
Non-owner of the SSN contacts IRS within 9 months of the levy issuance date,	Non-owner has their own account (i.e. valid SSN OR ITIN),	Non-owner substantiates levy payment(s). 1. Complete full compliance check. Refer to IRM 5.19.1.3.4.1, *Full Compliance Check*. 2. Ask the non-owner for substantiation (i.e. pay stubs or payroll records) to prove ownership of the levy payments. 3. If substantiation is secured during call (faxed to CR) and verified, initiate a transfer of the levy payments received from the non-owner levy source to the non-owner's account (SSN OR ITIN). 4. Manually refund the levy payment(s) to the non-owner; complete Form 5792, *Request for IDRS Generated Refund*, (reference the non-owner's true account number on the refund check), per IRM 21.4.4.4.1, *Preparation of Form 5792, IDRS Generated Refund*. **CAUTION:** Ensure non-owner has no valid balance due modules. 5. If substantiation needs to be

		mailed in: Provide ACSS address Input history code: W&I: "TOO1,XX,RFND" SB/SE: "TOO1,XX,RFND" 6. Input TC 570 (to freeze funds/prevent refund). 7. Document AMS.
Non-owner of the SSN contacts IRS within 9 months of the levy issuance date,	Non-owner does not have his own account,	1. Advise the non-owner to file a return, Form W-7, *Application for IRS Individual Taxpayer Identification Number*, (if no ITIN), and substantiation to verify payments and mail to ACSS. If Non-Owner of the SSN request Income Documents refer to IRM 21.3.4.32.2, *Income Documents Related to ID Theft Issues*. 2. Input TC 570 (to freeze funds/prevent refund). 3. For SB/SE or W&I cases, input history code: "TOO1,99,ITIN" (or "IRSN") **NOTE:** IRM 21.3.4.32.2, *Income Documents Related to ID Theft Issues*, addresses issue if non-owner requests CC IRPTR income documents. **REMINDER:** ITIN application process: 1. Federal income tax return. 2. Form W-7, *Application for IRS Individual Taxpayer Identification Number*. 3. Proof of identity and foreign status documents. 4. Assistance available to complete Form W-7, *Application for IRS Individual Taxpayer Identification Number*. 800-829-1040

		IRS.GOV TAC Acceptance Agent
Non-owner contacts IRS more than 9 months after the levy issuance date but less than 12 months,	**Intentionally Left Blank**	**Do not** return the levy payment(s) to the non-owner 1. Advise the taxpayer that the payment cannot be returned to them because they did not request it timely. 2. Input TC 570 (to freeze funds/prevent refund). 3. Reassign SB/SE or W&I cases to: "TOO1,XX,EXCESSC" XX = If payment is less than 12 months old, adjust the follow-up date accordingly to meet the 12 month requirement.
Non-owner contacts IRS more than 12 months after the levy issuance date,	**Intentionally Left Blank**	**Refer the payment(s) to Excess Collection** 1. Advise the taxpayer that the payment cannot be returned to them because they did not request it timely. 2. Complete Form 8758, *Excess Collections File Addition*, for each credit. Helpful Hints: **Box 3** Source Code ="CO" (from where credit is transferred Collection ="CO") **Box 4** Status Code ="IDEN" (Identified) **Box 9** Payment Type (remittance received) "*CA*" = cash "*CC*" = cashier's check "*MO*" = money order "*PC*" = personal check "*UK*" = unknown **Box 16** Reason = "Wrongful Levy-Do Not Apply or Refund ID Theft" IRM 3.17.220.2.1.1, *Preparation of Form 8758*

NOTE: If the caller states they want to file a formal wrongful levy claim, inform them of Pub 4528, *Making an Administrative Wrongful Levy Claim Under Internal Revenue Code (IRC) Section 6343(b)*.

IRM 5.19.1.10.4 Perfecting DDIAs, split paragraph (1) into two paragraphs and added note to paragraph (1). Renumbered remaining paragraphs accordingly. Updated paragraph (2). Updated table under renumbered paragraph (3).

1. CSCO receives and reviews all DDIA requests, regardless of the initiating function.

   NOTE: ACSS may also input new DDIAs on IDRS.

2. Ensure the following information is provided to establish the agreement and input the DDIA, or convert an existing IA to a DDIA:
   - Taxpayer signature; for additional information: IRM 5.19.1.5.4.14.1(2), *DDIA — Form* 433–D *, Installment Agreement, and Form 9465, Installment Agreement Request*.
   - Bank account number.
   - Routing transit number.
   - Payment amount.

     NOTE: If a regular IA is already established, use the existing amount/date.

   - If a NSIA, a financial statement was completed by the initiator and the amount agrees with the DDIA payment amount.
3. If the DDIA request is incomplete, take the following actions:

If ...	And ...	Then ...
A signature, bank account, or transit number is missing,	The account is in ST 60,	Send the taxpayer a letter requesting they resubmit a signed request **EXAMPLE:** Letter 1961C, *Direct Debit Installment Agreement (Form* 433–D *) Processing problems/* 433–D *incomplete*.
A signature, bank account, or transit number is missing,	The account is in ST 22 or 26,	Send request back to the originator to issue the taxpayer a letter requesting the missing information and establish a regular IA if the taxpayer provided the information needed and no additional information is needed.
A signature, bank account,	The account is in Notice	1. Establish a regular IA: IRM 5.19.1.5.4, *IAs*

or transit number is missing,	Status,	2. Send Letter 2273C, *Installment Agreement Accepted; Terms Explained*, (or other appropriate letter); including a paragraph advising the taxpayer what is needed to convert the IA to a DDIA. See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines*.
A payment amount and/or date is missing and AMS reflects the missing information,	No other information is required,	Input the DDIA with information from AMS.
A payment amount and/or date is missing and AMS does not reflect the missing information,	Account is already in ST 60,	Convert to a DDIA, using the existing payment and date. **CAUTION:** Make any necessary adjustments to the user fee per IRM 5.19.1.5.4.6.3, *User Fee Payment Transfer/User Fee Abatements*.
A payment amount and/or date is missing and AMS does not reflect the missing information	No IA is established and account is $25,000 or less	Follow IRM 5.19.1.5.4.1, *Determining Appropriate IA*.
Required financial statement is missing and/or the payment amount on the AMS financial screen does not correspond with the DDIA payment request	In ST 60, 22 or 26	o **ST 60 -**Do not convert IA to DDIA; reject DDIA request and inform the taxpayer to resubmit with the currently monthly IA payment already established. **EXCEPTION:** If the proposed DDIA payment amount is higher than the monthly payment amount indicated on the AMS financial screen, or the proposed DDIA meets Streamlined IA criteria (and financial information is no longer required), establish DDIA with new monthly payment

		amount.

		o **ST 22** - return to originator.
		o If request meets pending IA criteria input TC 971 AC 043 and
		o Send letter requesting the taxpayer complete:
		   ▪ 433–F, *Collection/Information Statement*, and
		   ▪ Form 433–D, *Installment Agreement* or Form 9465, *Installment Agreement Request*.
		o If request does not meet pending IA do not input TC 971 AC 043 and follow second bullet under ST 22 procedures above.
		o **ST 26** - Forward to assigned RO.

Required financial statement is missing and/or the payment amount on the AMS financial screen does not correspond with the DDIA payment request,	In Notice Status,	1. If the request meets pending IA criteria: IRM 5.19.1.5.4.7, *Pending IA Criteria*. 2. If the request does not meet pending IA criteria see IRM 5.19.1.5.4.7.1, *Requests Not Meeting Pending IA Criteria*, send letter and include the Form 433–D, *Installment Agreement* or Form 9465, *Installment Agreement Request*. **EXCEPTION:** If the proposed DDIA payment amount is higher than the monthly payment amount indicated on the AMS financial screen, or the proposed DDIA meets Streamlined IA criteria (and financial information is no longer required), establish DDIA with new monthly payment amount.

IRM 5.19.1.10.5 Input of DDIAs, updated paragraph (6).

6. Send the Letter 1962C, *Direct Debit Installment Agreement (Form 433-D) Granted/Revised*, (or other appropriate letter) to inform the taxpayer that their DDIA was established. Advise the taxpayer of their first payment date. See IRM 5.19.1.1.3, *Balance Due Outgoing Correspondence Guidelines*.

   EXCEPTION: The DDIA confirmation letter is **not** required to include the first payment date when establishing a pre-assessed DDIA. This is because the DDIA cannot begin until the return is assessed. See IRM 5.19.1.5.4.14(9), *DDIA*.

IRM 5.19.1.10.6 Revising DDIAs, deleted paragraph (4). Renumbered remaining paragraphs accordingly.

4. By law, DDIA documents must be retained on file until the DDIA is no longer in effect. These documents are also used to perfect the DDIA if the account displays on one of the EFT error listings, which are worked in CSCO.
5. Check CC EFTAD to see if the taxpayer's scheduled payment is present; follow the chart below to update the account:

If ...	Then ...
The payment request status is displayed on CC EFTAD is "[ ]"	Use CC EFTOF to turn it off.
A payment amount or date change is needed	Use CC IAREV, cycle date to next month and send the taxpayer a letter advising them of the change. Advise the taxpayer of their first payment date.
The payment request status is NOT displayed (no brackets)	1. No action is required other than revising the DDIA. 2. Use CC IAGRE to revise the payment terms of the DDIA, ensure the cycle is moved to the next month to ensure the DDIA continues timely.
The payment request status displayed on CC EFTAD is "[A]"	1. It is too late to change the payment request. 2. Notify the taxpayer the requested changes will be made for the following month, ensure cycles are set for the next month. Advise the taxpayer of their next payment date. 3. Ensure the skip indicator is on to

	prevent the account from defaulting.
The taxpayer notifies us of a change in bank account data; routing and or account number	1. Revise the DDIA using CC IAGRE and CC EFTNT F. 2. The DDIA payment must be cycled at least four (4) weeks from the input date. 3. Send Letter 1962C, *Direct Debit Installment Agreement (Form 433–D) Granted/Revised.* Advise the taxpayer of their first payment date under the revised DDIA.

6. On modifications, a red "M" must be annotated with the DDIA input date in red in the upper right hand corner. These documents will then be treated in the same manner as the original DDIA documents and be retired to FRC after 60 days (or when no longer needed). See IRM 5.19.1.10(6), *DDIA Monitoring Procedures – CSCO Processing.*

   NOTE: DDIA modifications will no longer be associated with the original DDIA input document.

Exhibit 5.19.1-7 IDRS Input of Full Pay Agreements, 120 Days or Less, CC IAREV for AM/ACS/ACSS/CSCO/FA, revised paragraph (18) and deleted table.

18. <u>REMIND SUP</u>: Suppress Reminder Notice indicator. Indicates whether or not the reminder notice should be suppressed. Enter "1".

Exhibit 5.19.1-8 IDRS Input of IAs, CC IAORG, updated note under paragraph (12).

12. <u>PAYMENT DUE CYCLES</u>: Identifies the cycle the payment is due. The first payment due cycle must be present; enter at least 4 - 8 cycles from current cycle. The second and third cycles are optional.

   NOTE: DDIAs require a minimum of 5 cycles from the current cycle. However, the timing of the payment may cause IDRS to require a different number of cycles (for example, 6 cycles). Document AMS history if this occurs.

Exhibit 5.19.1-9 IDRS Input of IAs, CC IAREV, updated note under paragraph (13).

13. <u>PAYMENT DUE CYCLES</u>: Identifies the cycle the payment is due. The first payment due cycle must be present; enter at least 4 - 8 cycles from current cycle. If multiple payment amounts apply in Item "6" above, enter the second and third payment cycles as appropriate.

    NOTE: DDIAs require a minimum of 5 cycles from the current cycle. However, the timing of the payment may cause IDRS to require a different number of cycles (for example, 6 cycles). Document AMS history if this occurs.

Exhibit 5.19.1-10 IDRS Input of Pre-Assessed IAs and Full Pay Agreements. Updated table under paragraph (16).

16. <u>PAYMENT DUE CYCLES</u>: Identifies the cycle the payment is due. The first payment due cycle must be present; the second and third cycles are optional.

If ...	And ...	Then ...
An IA	Intentionally left blank	Enter at least 4 – 8 weeks from the current cycle for the first payment due cycle **NOTE:** DDIAs require a minimum of 5 weeks from the current cycle. See IRM 5.19.1.5.4.14(9), *DDIA*. **NOTE:** If there are multiple payment amounts in item "10 "above, enter the second and third payment cycle(s) as appropriate.
An agreement to full pay	Between 60 and 90 days	Enter 13 weeks from the current cycle for the first payment due cycle
An agreement to full pay	Between 91 and 120 days	Enter 17 weeks from the current cycle for the first payment due cycle