



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

October 5, 2012

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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Scott D. Reisher /s/ **Scott D. Reisher**
Director, Collection Policy

SUBJECT: Deviation Authority to Work Field Collection 1099-K Cases

This deviation from IRM 5.16.1 applies to cases with an ICS subcode of 582, 1099-K project only. These cases were previously reported Currently Not Collectible (CNC) as Unable to Locate (UTL) or Unable to Contact (UTC) in accordance with [IRM 5.16.1.2.1](#) criteria. The cases were reactivated in 2012 due to a new levy source being reported on [Form 1099-K, Payment Card and Third Party Network Transactions](#).

Collection will be evaluating the effectiveness of the 1099-K information for new addresses or levy sources, but revenue officers (ROs) should not spend time duplicating prior case research to close these cases.

Note: If there are additional modules on an account that were not previously reported CNC as UTL or UTC, this deviation does not apply.

The following procedures will be followed on the reactivated cases with an ICS subcode of 582:

1. Determine if the address associated with the 1099-K information on the most recent year's IRP data is a new address that was not previously investigated.
 - If there is no new address and a field call was previously made to the 1099-K address, another field call is not necessary. Proceed to step 2.
 - If there is a new address, or a field call was not previously made to the 1099-K address, a field call is necessary.

- If the taxpayer is contacted at the new address, or the RO obtains additional information from third party sources at the new address, work the case using normal IRM criteria.
 - If the taxpayer is not at the new address or cannot be contacted at the new address, and no additional information is obtained, proceed to step 2.
2. If attempts to contact the taxpayer fail; there is no new address, no phone number, no response to a field call or no new leads, a levy should be issued to the 1099-K levy source(s).

Caution: Prior to issuing a levy, ensure all pre-levy actions have been taken in accordance with IRM 5.11.1.2, *Pre-Levy Actions*.

3. If the levy is successful, continue to levy until the account is full paid or contact from the taxpayer resolves the case.
4. If the levy is not successful, but the 1099-K levy source provides new information, follow-up on the new lead.
5. If the levy is not successful and there are no new leads from the 1099-K levy source, the accounts can be closed as UTL or UTC with no additional research. Note the history that the case is a deviation from the research requirements in IRM 5.16.1.2.1 per this Interim Guidance Memorandum.

If you have any questions, please contact me, or a member of your staff may contact Lynn Greer or Frances Quintero, Senior Program Analyst(s). Field personnel should elevate their questions through the appropriate management chain.

cc: Director, Campus Compliance Services
Director, Filing and Payment Compliance
Director, Advisory and Insolvency
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