IRM PROCEDURAL UPDATE

DATE: 11/05/2013

NUMBER: SBSE-05-1113-1615

SUBJECT: IAT Tool and ID Theft Changes

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

CHANGE(s):

IRM 5.19.1.1.7 Mandated IAT Tools, updated table under paragraph (6) to reflect the retirement of the Refund Suite and show the Refund Tools that should be used instead.

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 REQ54 o REQ77 (TDI) o TFRP Suite (SB/SE) o Payment Tracer/Tracer (BAL) o Withholding Compliance (Andover & Austin)	o Compliance Suite
W&I ASFR	o Credit Transfer o ESTAB	o Compliance

	o FRM49 o Letters o Refund Hold	Suite
SB/SE ASFR	o X Claim	o Compliance Suite

IRM 5.19.1.9.3 Identity Theft Balance Due Return (TC 150) Not Resulting From Additional Assessment, updated table under paragraph (2)(d) to show updated ACS inventory assignment.

2. Determine if the ID Theft is related to the tax year with the balance due:
   a. Check the Alerts section of AMS to see if there is an open CIS control for ID Theft. If so, do not ask the taxpayer to submit documentation per the instructions below. Instead, follow IRM 5.19.1.9.2, *Identity Theft Documentation*. If there is no open CIS control for ID Theft, then follow (b)-(d) and the table below.
   b. If not, advise the taxpayer to mail or fax the ID Theft documentation referenced in IRM 5.19.1.9.2, *Identity Theft Documentation*.
   c. If a TC 971 AC 522 "PNDCLM" does not already exist for the tax year in question, input TC 971 AC 522 "PNDCLM", and
   d. Use the following chart:

If ...	And ...	Then ...
The taxpayer **faxes** in ID Theft documentation or the documentation is received via mail and it is complete and legible,	The documentation verifies/supports their ID Theft claim **and** will eliminate the entire balance due,	**ACS Call sites** – Forward/Fax documents received to ACSS IDT Coordinator. o **For ACS cases**: Reassign W&I and SB/SE ACS cases "TOO1,60,IDTADJ" (Function "O"/Inventory "1") o **For Non ACS Cases**: Input CC STAUP 2209. Document AMS with actions taken. **ACSS Specialized Teams** – Follow account adjustment procedures in: 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*, o Exhibit 5.19.1-19, *Guidance for Backing Out TC 150 on Accounts Involving ID Theft*, o Exhibit 5.19.1-20, *ADJ 54*, o Exhibit 5.19.1-22, *Moving Refunds*, or o IRM 5.19.6.25.3, *Processing Identity Theft Correspondence*.
The taxpayer **faxes** in ID Theft documentation or the documentation is received via mail and it is complete and legible,	The documentation verifies/supports their ID Theft claim **but** will not eliminate the entire balance due,	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*, o Exhibit 5.19.1-19, *Guidance for Backing Out TC 150 on Accounts Involving ID Theft*, o Exhibit 5.19.1-20, *ADJ 54*, o Exhibit 5.19.1-22, *Moving Refunds*, or o IRM 5.19.6.25.3, *Processing Identity Theft Correspondence*. o All accounts – Document AMS with actions taken. o Contact the taxpayer informing of the remaining balance due. o Continue with collection activity.
The taxpayer **faxes** in ID Theft documentation or the documentation is received via mail and it is complete and legible,	The documentation does **not** support the ID Theft claim,	o Inform the taxpayer why the documentation does not support their claim of ID Theft. o If the taxpayer will be submitting the required documents, input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases. Reassign W&I and SB/SE ACS cases "TOO1,XX,DOCREQ" (Function "O"/Inventory "1") o If the taxpayer drops the ID Theft claim, continue with collection activity and take next appropriate action. o Input TC 972 AC 522 "NOIDT" if the taxpayer does not support the claim or drops the claim. o All accounts –Document AMS with

		actions taken.
		o Contact the taxpayer informing of the remaining balance due.
		o Continue with collection activity.

The taxpayer wants to **mail** ID Theft documentation	**Intentionally Left Blank**	o **For ACS (including International) Cases:**
		  1. Document AMS with actions taken.
		  2. Provide ACSS address to taxpayer per http://serp.enterprise.irs.gov/databases/who-where.dr/acsspt-lias.dr/acs-support.htm.
		  3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*
		  4. Input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases
		   Reassign W&I and SB/SE ACS cases "TOO1,60,DOCREQ" (Function "O"/Inventory "1")
		o **For Non-ACS Cases:**
		  1. Document AMS with actions taken.
		  2. Input CC STAUP 2209.
		  3. * International – Provide Philadelphia address on SERP.
		  4. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
		  5. **W&I Balance Due Accounts** – W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT Coordinator.
		  SB/SE CSCO Accounts —
		   a. In order to prevent any enforcement actions, input

		a TC 470 only.

b. Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison.

NOTE: If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison.

SB/SE CSCO ID Theft Liaison - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts.

NOTE: International accounts are identified by File Location Codes (FLC) 20, 21, 60, 66, 78 and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code (Form 1040–PR, *Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia*, or Form 1040–SS , *U.S. Self-Employment Tax Return*) which include Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Marianna Islands.

FLC 20, 60, and 98 are used for returns with:

- A foreign address
- Form 2555, *Foreign Earned Income*, or Form 2555–EZ , *Foreign Earned Income Exclusion*
- Form 1042-S , *Foreign Person's U.S. Source Income Subject to Withholding*, Form SSA-1042S, *Social Security Benefit Statement*, Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, or Form 8288–A , *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*

		o Dual Status Notification
		o Form 1040–NR , *U.S. Nonresident Alien Income Tax Return*, or Form 1040–NR-EZ , *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*
		CAUTION: Do not assume that an account is International just because you have received Spanish correspondence. Ensure that the above criteria is met.

IRM 5.19.1.9.4 Identity Theft Automated Underreporter (AUR), updated table under paragraph (3)(d) to show updated ACS inventory assignment.

3. When the taxpayer disputes the AUR assessment on the basis of ID Theft:
   a. Check the Alerts section of AMS to see if there is an open CIS control for ID Theft. If so, prepare Form 4442, *Inquiry Referral*, documenting that the ID Theft documentation is on CIS. Forward to the ITAR Liaison for AUR.
   b. If not, advise the taxpayer to mail or fax the ID Theft documentation referenced in IRM 5.19.1.9.2, *Identity Theft Documentation*.
   c. If a TC 971 AC 522 "PNDCLM" does not already exist for the tax year in question, input TC 971 AC 522 "PNDCLM", and
   d. Use the following chart:

If ...	Then ...
The taxpayer **faxes** ID Theft documentation or documentation is received via mail and it is complete and legible,	**ACS Call sites** – Forward/Fax documents received to ACSS IDT Coordinator. Document AMS with actions taken. o **For ACS cases**: Reassign W&I and SB/SE ACS cases "TOO1,60,IDTADJ" (Function "O"/Inventory "1") o **For W&I Balance Due Accounts**: Forward/Fax documents to Fresno ACSS IDT Coordinator. o **SB/SE CSCO Accounts** — ▪ In order to prevent any enforcement actions, input a TC 470 only. ▪ Prepare the Form 4442, *Inquiry Referral*,

	and submit to the CSCO ID Theft Liaison. **NOTE:** If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison. o **SB/SE CSCO ID Theft Liaison** - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts.

Taxpayer wants to **mail** ID Theft documentation,	o **For ACS (including International) Cases:**
	1. Document AMS.
	2. Provide ACSS address to taxpayer per http://serp.enterprise.irs.gov/databases/who-where.dr/acsspt-lias.dr/acs-support.htm.
	3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
	4. Input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases Reassign W&I and SB/SE ACS cases "TOO1,XX,DOCREQ" (Function "O"/Inventory "1")
	o **For Non-ACS Cases:**
	
	1. Document AMS with actions taken.
	2. * International – Provide Philadelphia address on SERP.
	3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
	4. **W&I Balance Due Accounts** – W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT Coordinator.
	SB/SE CSCO Accounts —
	  a. In order to prevent any enforcement actions, input a TC 470 only.
	  b. Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison.

	NOTE: If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison. **SB/SE CSCO ID Theft Liaison** - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts. **NOTE:** International accounts are identified by File Location Codes (FLC) 20, 21, 60, 66, 78 and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code (Form 1040–PR, *Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia*, or Form 1040–SS , *U.S. Self-Employment Tax Return*) which include Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Marianna Islands. FLC 20, 60, and 98 are used for returns with: • A foreign address • Form 2555, *Foreign Earned Income*, or Form 2555–EZ, *Foreign Earned Income Exclusion* • Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, Form SSA-1042S, *Social Security Benefit Statement*, Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, or Form 8288–A , *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests* • Dual Status Notification • Form 1040–NR, *U.S. Nonresident Alien Income Tax Return*, or Form 1040–NR-EZ , *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents* **CAUTION:** Do not assume that an account is International just because you have received Spanish correspondence. Ensure that the above criteria is met.

IRM 5.19.1.9.5 Identity Theft ASFR and SFR, updated table under paragraph (3)(d) to show updated ACS inventory assignment.

3. When the taxpayer disputes the ASFR or SFR assessment on the basis of ID Theft:
    a. Check the Alerts section of AMS to see if there is an open CIS control for ID Theft. If so, prepare Form 4442, *Inquiry Referral*, documenting that the ID Theft documentation is on CIS. Forward to the ITAR Liaison for ASFR or SFR.
    b. If not, advise the taxpayer to mail or fax the ID Theft documentation referenced in IRM 5.19.1.9.2, *Identity Theft Documentation*.
    c. If a TC 971 AC 522 "PNDCLM" does not already exist for the tax year in question, input TC 971 AC 522 "PNDCLM", and
    d. Use the following chart:

If ...	Then ...

The taxpayer **faxes** ID Theft documentation or documentation is received via mail and it is complete and legible,	o Fax the case to the ITAR Liaison for ASFR or SFR via Form 4442, *Inquiry Referral*, and attach ID Theft documentation. On line 5 of the Form 4442, *Inquiry Referral*, (Referring To) indicate **ID Theft**.
	
	  EXAMPLE: ASFR-ID Theft; SFR-ID Theft
	
	o See SERP, Who/Where, ITAR Liaisons to identify the correct liaison. Select the appropriate campus under:
	W&I – W&I CSCO
	SB/SE – SBSE ASFR
	ACS Call sites –
	Forward/Fax documents received to ACSS IDT Coordinator.
	o **For ACS Cases:**
	  1. Document AMS with actions taken.
	  2. Reassign W&I and SB/SE ACS cases "TOO1,60,IDTASFR" (Function "O"/Inventory "1")
	o **For Non-ACS Cases:**
	  1. Document AMS with actions taken.
	  2. **W&I Balance Due Accounts** – W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT Coordinator.

	SB/SE CSCO Accounts Only - - In order to prevent any enforcement actions, input a TC 470 only. - Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison. **NOTE:** If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison. **SB/SE CSCO ID Theft Liaison** - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts.
The taxpayer wants to **mail** ID Theft documentation	o **For ACS (including International) Cases:** 1. Document AMS with actions taken. 2. Provide ACSS address to taxpayer per http://serp.enterprise.irs.gov/databases/who-where.dr/acsspt-lias.dr/acs-support.htm. 3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*. 4. Input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases Reassign W&I and SB/SE ACS cases "TOO1XX,DOCREQ" (Function "O"/Inventory "1") o **For Non-ACS Cases:** 1. Document AMS with actions taken. 2. * International – Provide Philadelphia address on SERP. 3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*. 4. **W&I Balance Due Accounts** – W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT Coordinator. **SB/SE CSCO Accounts** —

	a. In order to prevent any enforcement actions, input a TC 470 only. b. Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison. **NOTE:** If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison. **SB/SE CSCO ID Theft Liaison** - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts. **NOTE:** International accounts are identified by File Location Codes (FLC) 20, 21, 60, 66, 78 and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code (Form 1040–PR, *Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia*, or Form 1040–SS , *U.S. Self-Employment Tax Return*) which include Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Marianna Islands. FLC 20, 60, and 98 are used for returns with: ○ A foreign address ○ Form 2555, *Foreign Earned Income*, or Form 2555–EZ , *Foreign Earned Income Exclusion* ○ Form 1042-S , *Foreign Person's U.S. Source Income Subject to Withholding*, Form SSA-1042S, *Social Security Benefit Statement*, Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, or Form 8288–A , *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests* ○ Dual Status Notification ○ Form 1040–NR , *U.S. Nonresident Alien Income Tax Return*, or Form 1040–NR-EZ , *U.S. Income Tax Return for Certain Nonresident Aliens With*

	No Dependents **CAUTION:** Do not assume that an account is International just because you have received Spanish correspondence. Ensure that the above criteria is met.

IRM 5.19.1.9.6 Identity Theft Examination Assessments, updated table under paragraph (2)(d) to show updated ACS inventory assignment.

2. When the taxpayer disputes the examination assessment on the basis of ID Theft:
   a. Check the Alerts section of AMS to see if there is an open CIS control for ID Theft. If so, prepare Form 4442, *Inquiry Referral*, documenting that the ID Theft documentation is on CIS. Forward the Form 4442, *Inquiry Referral*, to the Examination ITAR Liaison.
   b. If not, advise the taxpayer to mail or fax the ID Theft documentation referenced in IRM 5.19.1.9.2, *Identity Theft Documentation*.
   c. If a TC 971 AC 522 "PNDCLM" does not already exist for the tax year in question, input TC 971 AC 522 "PNDCLM", and
   d. Use the following chart:

If ...	**Then ...**

The taxpayer **faxes** ID Theft documentation or documentation is received via mail and it is complete and legible,	o Fax the case to the ITAR Liaison for Examination via Form 4442, *Inquiry Referral*, and attach ID Theft documentation. On line 5 of the Form 4442, *Inquiry Referral*, (Referring To) indicate **ID Theft**.
	
	  EXAMPLE: Exam-ID Theft
	
	o See SERP, Who/Where, ITAR Liaisons to identify the correct liaison. Select the appropriate campus under:
	W&I – W&I Examination
	SB/SE – SBSE Examination
	ACS Call sites –
	Forward/Fax documents to ACSS IDT Coordinator.
	o **For ACS Cases:**
	  1. Document AMS with actions taken.
	  2. Reassign W&I and SB/SE ACS cases "TOO1,60,IDTEXAM" (Function "O"/Inventory "1")
	o **For Non-ACS Cases:**
	  1. Document AMS with actions taken.
	  2. **W&I Balance Due Accounts** –

W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT Coordinator.

SB/SE CSCO Accounts —

    a. In order to prevent any enforcement actions, input a TC 470 only.

    b. Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison.

NOTE: If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison.

SB/SE CSCO ID Theft Liaison - Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts.

The taxpayer wants to **mail** ID Theft documentation,

- o **For ACS (including International) Cases:**
    1. Document AMS with actions taken.
    2. Provide ACSS address to taxpayer per http://serp.enterprise.irs.gov/databases/who-where.dr/acsspt-lias.dr/acs-support.htm.
    3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
    4. Input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases. Reassign W&I and SB/SE ACS cases "TOO1,XX,DOCREQ" (Function "O"/Inventory "1")
- o **For Non-ACS Cases:**
    1. Document AMS with actions taken.
    2. * International – Provide Philadelphia address on SERP.
    3. Warn of enforcement action. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*.
    4. **W&I Balance Due Accounts** – W&I CSCO does not work Balance Due ID Theft accounts. They are forwarded to ACSS for processing. Forward/Fax documents to Fresno ACSS IDT

Coordinator.

SB/SE CSCO Accounts —

    a. In order to prevent any enforcement actions, input a TC 470 only.

    b. Prepare the Form 4442, *Inquiry Referral*, and submit to the CSCO ID Theft Liaison.

NOTE: If the case is to be referred to Exam, AUR, etc… notate that on the Form 4442, *Inquiry Referral*, prior to submitting to the CSCO ID Theft Liaison.

SB/SE CSCO ID Theft Liaison – Follow IRM 5.1.12.2.2, *Identity Theft Case Resolution*, for processing ID Theft accounts.

NOTE: International accounts are identified by File Location Codes (FLC) 20, 21, 60, 66, 78 and 98. FLC 21, 66, and 78 contain all returns with a U.S. possession or territory address with a 5-digit ZIP Code (Form 1040–PR, *Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia*, or Form 1040–SS , *U.S. Self-Employment Tax Return*) which include Puerto Rico, American Samoa, Guam, U.S. Virgin Islands and the Commonwealth of the Northern Marianna Islands.

FLC 20, 60, and 98 are used for returns with:

- A foreign address
- Form 2555, *Foreign Earned Income*, or Form 2555–EZ , *Foreign Earned Income Exclusion*
- Form 1042-S , *Foreign Person's U.S. Source Income Subject to Withholding*, Form SSA-1042S, *Social Security Benefit Statement*, Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, or Form 8288–A , *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*
- Dual Status Notification
- Form 1040–NR , *U.S. Nonresident Alien Income Tax Return*, or Form 1040–NR-EZ , *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*

CAUTION: Do not assume that an account is International just because you have received Spanish correspondence. Ensure that the above criteria is met.