

IRM PROCEDURAL UPDATE

DATE: 01/30/2015

NUMBER: WI-21-0115-0234

SUBJECT: BMF International Accounts Management – Added Link and Telephone Numbers for FBAR and Estate and Gift

AFFECTED IRM(s)/SUBSECTION(s): 21.8.2

CHANGE(s):

IRM 21.8.2.1.3 Added link and telephone numbers for FBAR and Title 31 Help and added the telephone number for Estate and Gift.

1. The following websites are helpful when researching international issues:
 - Submission Processing website at <http://win.web.irs.gov/SP/index.htm>
 - IRC listed by Code section number at <http://www.law.cornell.edu/uscode/text>
 - Tax treaties on line at <http://www.irs.gov/business/international/article/0,,id=96739,00.html>
 - Various international topics at <http://www.irs.gov/business/international/index.html>
 - IRS FBAR and Title 31 at <http://www.irs.gov/business/international/index.html>
 - IRS Bulletins, Notices, Announcements, etc. at <http://www.irs.gov/irb/>
 - U.S. Citizenship and Immigration Services (USCIS) website at <http://www.uscis.gov>
 - Lexis-Nexis at <http://www.lexisnexis.com/clients/irshome/>
 - The Social Security Administration website <http://www.ssa.gov/>
 - Qualified Intermediaries at <http://www.irs.gov/business/corporations/article/0,,id=150934,00.html>
 - Electronic Tax Law Assistance at <http://www.irs.gov/help/page/0,,id=133197,00.html>
 - United States Department of State at <http://www.state.gov/>
 - International dialing codes at <http://www.countrycallingcodes.com/>
 - IR Web research center at <http://rnet.web.irs.gov/index1.htm>
2. Assistors staffing the International line **DO NOT** use the Telephone Transfer Guide (TTG) to transfer calls. They can use "The Source for Telephone Numbers" at: <http://gatekeeper.web.irs.gov/plList.asp> to provide the correct toll-free number to the caller. If the caller is calling outside the United States the assistor should perform the needed resolution. If the assistor is not trained or the caller does not want to call back, complete Form 4442, *Inquiry Referral*. See IRM 21.3.5.4, *Referral Procedures*, for complete procedures.

NOTE: International assistors may transfer calls within the International line using local procedures.

3. **Assistors staffing any toll-free line** should not transfer calls to the International line (267-941-1000). They can provide the International **non toll-free number** or any of the numbers below to a caller for help with international issues. If the caller does not want to call back, offer to prepare Form 4442, *Inquiry Referral*. Route to BMF International at the Ogden campus via fax at # [REDACTED] # (number is for internal use only). For a list of BMF international issues see IRM 21.8.2.1.1, *Campus Consolidation and Program Centralization*. For more information on the referral process see IRM 21.3.5.4, *Referral Procedures*.

Title or Organization	Phone	Fax
International (Taxpayer Customer Service)	267-941-1000**	# [REDACTED] # (number is for internal use only)
Automated Collection System (ACS)	267-941-1004**	
Automated Underreporter (AUR)	267-941-1026**	267-941-1023
Electronic Federal Tax Payment System (EFTPS)	303-967-5916	
International Estate and Gift	859-669-2349	
Excise Tax (Form 720, Form 730, Form 2290 and Form 8849)	859-669-5733	
FBAR and Title 31 Helpline	866-270-0733 (toll-free) 313-234-6146 (not toll-free)	
International Examination	267-941-1037**	267-941-1463
Offer in Compromise (OIC) - General	267-941-1004**	787-759-5466
(OIC) - Accepted Offers Only	631-447-4018	
Taxpayer Advocate Service - English speaking	787-522-8601	787-522-8690
Taxpayer Advocate Service - Spanish speaking only	787-522-8600	
U.S. Certification Program	267-941-1000**	267-941-1035

REMINDER: Numbers marked with (**) CANNOT be accessed using IRS phones.

4. Current International Post contact information can be found on the Large Business and International Division, (LB&I) website at http://www.lmsb.irs.gov/international/dir_treaty/eoi_overseas/posts.asp

IRM 21.8.2.4.3 Added information concerning interest-free adjustments.

1. The interest-free provisions for adjustments on employment taxes are in effect for errors discovered on the Schedule H/H-PR. The provisions were revised and apply to errors discovered on or after January 1, 2009. See Treas. Reg. §§ 31.6205-1, 31.6413(a)-1, and 31.6413(a)-2. Additional information can also be found in TD 9405 and Publication 926.
 - a. The interest-free provisions may apply to adjusted returns and original returns in certain cases of worker mis-classification. The adjustment to Schedule H is made by filing a Form 1040X with a corrected Schedule H (together being an adjusted return), or just an amended Schedule H if the employer has no Form 1040 filing requirement.
 - b. Taxes imposed under the Federal Unemployment Tax Act FUTA (Part II, Schedule H) are not subject to the interest-free provision. As a result, when adjusting Schedule H taxes, it is sometimes necessary to use both TC 298 (for interest-free income and FICA adjustments, Part I, Schedule H) and TC 290 for the FUTA portion.
 - c. Underpayment adjustments to income tax withholding, social security and Medicare taxes may be made interest-free if reported by the due date of the return for the return period the error is ascertained.
 - d. Generally, adjustments to income tax withholding errors may only be made for quarters during the same calendar year. Adjustments to amounts reported as income tax withheld in a prior calendar year may only be made to correct an administrative error. An administrative error occurs if the amount entered on Schedule H/H-PR as income tax withheld is not the amount the employer actually withheld.

NOTE: Income taxes are only required to be withheld from wages for domestic employment if the employer and employee agree to the withholding.

2. For Schedule H/H-PR, the due date of the period the error is ascertained is the due date of the income tax return for the period the taxpayer discovered the error.
 - a. An error is ascertained when the employer has sufficient knowledge of the error to be able to correct it.
 - b. For underpayment errors discovered on or after January 1, 2009, the new provisions require that the underpayment be paid at the time the adjusted return is filed or interest will begin to accrue. The interest computation date to be used is the received date of the adjusted return.
 - c. Ascertained dates are not needed for tax decreases.
 - d. A statement (could be an amended Schedule H) must be attached to the return on which the adjustment is reported explaining the correction and designating the return period in which the error was ascertained and the return period to which the error relates.

- e. Use the following chart to assist in determining when to use a TC 298.

REMINDER: If the amended return is filed for the immediate preceding tax period, it is not necessary to contact the taxpayer for an ascertained date. Input TC 298 with the applicable interest computation date. See the **EXCEPTION** in IRM 21.7.2.4.7.6.3(3), *Form 941-X Tax Increases-Adjusted Employment Tax Return*

IF	THEN
An ascertained date is provided and the amended Schedule H/H-PR is filed by the due date of the return for the return period, in which the error was ascertained	Assess the increase using TC 298 with an interest computation date which will be the same date as the ascertained date or the return due date, whichever is later.
The ascertained date is not provided	Contact the taxpayer by telephone to obtain the information. NOTE: Do not correspond for the ascertained date unless corresponding for other information.
The ascertained date is not provided and is unable to be secured	Assess the increase using a TC 290.

NOTE: When contacting taxpayers, follow procedures in IRM 21.1.3.2.3, *Required Taxpayer Authentication*, for purposes of identification and to prevent unauthorized disclosures of tax information. Also, use caution when leaving information on answering machines or voice mails. (See IRM 11.3.2.6.1, *Leaving Information on Answering Machines/Voice Mail*).

3. Interest-free adjustments provisions.

IF	THEN
The adjusted Schedule H is filed and the tax paid by the due date of the return # [REDACTED] # for the return period in which the error was ascertained and the underpayment is paid at the same time	No interest is due.
For increases in tax liability, the amended Schedule H is filed by the due date of the return for the return period in which the error was ascertained, but the tax is not paid at the same time	Interest is computed from the received date of the amended return # [REDACTED] #.

IRM 21.8.2.7.3 Added Form 943/943-X & Form 944/944-X and clarified procedures.

1. All adjustments are done on the employer's Form 941 or Form 944 (Form 943 for H-2A claims) account and the resulting credit is transferred to the employee's account for refunding.
2. A complete claim contains the following substantiation:
 - Completed and signed Form 843 claim for each employer. If the claim is for more than one employer, but otherwise complete with all required documentation, process the claim.
 - Form W-2 (If not provided, attempt to verify the withholding amount using Command Code (CC) IRPTR, attach a print and accept).

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- If the visa status changed, a copy of the pay stub is needed to verify the FICA amount claimed. Copies of pay stubs showing the amount of FICA tax erroneously withheld are also needed to verify claims involving students employed in OPT, and those in M-1 status, who have completed a course of study and are employed for practical training for up to 6 months.

- A copy of your visa.

NOTE: Canadian citizens are not required a visa to enter the United States directly from Canada for the purposes of visiting or studying.

- Form I-94, Arrival/Departure Record, or other documentation showing the dates of arrival and departure.

NOTE: Overseas filers no longer have the Form I-94 since the USCIS keeps this document when the student/visitor leaves the United States.

- Form I-20 (for F-1/M-1 visa(s) only) or IAP-66/DS-2019 (for J-1 visa only).
- Form 8316 or signed claim/statement verifying that unsuccessful attempts have been made to obtain a refund from the employer. Statements in lieu of the Form 8316 must include all the information requested on the Form 8316.

NOTE: Form I-766 or I-688B (Employment Authorization Document) is issued by USCIS and is needed **only** if the student is engaged in optional practical training. See IRM 21.8.2.7.1.1.

3. If the employee has filed the appropriate tax return (Form 1040NR) and submitted the proper documentation, do the following:
 - a. Verify the employer has filed the final quarter Form 941 or annual Form 943/944 for the tax year corresponding to the claim.
 - b. If the employer's Form 941 return for the final quarter is not located or the account is in balance due status, adjust the preceding quarter, which must be within the same tax year;

EXAMPLE: If the final quarter for the tax year ending 200812 is not located, adjust 200809, then 200806 or 200803 in that order.

- c. If the employer's full paid Form 941/943/944 can't be located, perform the necessary IDRS research for the correct EIN.

REMINDER: The EIN provided may be a subsidiary of another company or part of a merger/takeover, etc.

- d. If, after all available research has been exhausted, you are still unable to determine the filing of a return, or a full paid module, or the employer is in a balance due status for all quarters of, or the annual return for, the tax year in which the claim was filed, disallow the claim on the requester's income tax account. Refer to IRM 21.5.3.4.6.1, *Disallowance and Partial Disallowance Procedures*; include the following statement in the disallowance letter:

Letter Paragraph

Because our records do not indicate any payments being remitted to the Internal Revenue Service on your behalf for the particular tax period in question, we cannot allow the refund. You should contact your employer for the refund or to have him/her supply us with information substantiating that the payments corresponding to the taxes in question were paid.

NOTE: If the balance due on the employer's account (Form 941/943/944) is because of a penalty, the FICA claim may still be processed. **(Take steps to avoid creating an unpostable.)**

4. If an incomplete claim for FICA tax is received:
 - a. Send Letter 513C to the claimant requesting that the employee seek reimbursement from the employer. Return the Form 843 claim to the requester. "X" out the IRS received date on the Form 843 prior to mailing.
 - b. When sending a 513C to the **employee**, also send a Letter 512C to the **employer** advising the employer to reimburse the employee for

any erroneously withheld FICA taxes and to take an adjustment to the currently filed Form 941/943/944 (or file Form 941-X/943-X/944-X). Beginning January 2009, the employer must file a Form 941-X, Form 943-X, or Form 944-X to correct the errors since the Form 941C is obsolete (except for 200812 tax periods). Employers will no longer file Form 941C for corrections to employment issues.

NOTE: These two letters are issued at the same time and reference each other in their content.

EXCEPTION: Do not send Letter 512C to the employer if the claimant submits a signed Form 8316 indicating they have unsuccessfully attempted to obtain reimbursement from their employer.

5. Refer to IRM 21.5.3, *General Claims Procedures*, for information on claim processing.

IRM 21.8.2.7.3.1 Added Form 943/943-X & Form 944/944-X and clarified procedures.

1. When the employee has filed the appropriate tax return (Form 1040NR), submitted the proper documentation, and you have located the employer's Form 941/943/944:
 - Input a TC 291 with appropriate Item Adjustment Codes to abate the student's portion of the FICA/Medicare wages and tax on the employer's account.

CAUTION: Pay special attention if a TC 606 is present in the employer's account. This transaction reverses when the TC 291 posts, which will cause the credit transfer part of the process to unpost if TC 606 is not addressed. See IRM 21.5.8.4.1, *IDRS Guidelines for Credit Transfers*, for additional information.

- Use Hold Code 4 and Blocking Series 15.
- Use Priority Code 8, if applicable, to avoid Unpostable Code (UPC) 328 RC 2.
- FLC 60.
- Category "IETP."
- Source Document (SD) employee portion of FICA (Attach Form 843 to the adjustment).
- Acknowledge all transactions that may be restricting the account. Do not overlay the "CORR DATE" field.
- Transfer credit from the employer's account to the employee's account. See (2) below.
- Inform the employer of the adjustment action using Letter 288C.

- **It is imperative to send the employer a 288C Letter. Combined Annual Wage Reporting (CAWR) will assess additional tax on the employer's account if the employer does not file an amended Form 941/943/944, (Form 941-X/943-X/944-X beginning in 2009), W-2C, and W-3C to correct the wages.**

NOTE:	The Letter 288C open paragraph fill-in must contain the following statement:
	Letter Paragraph
	Because you did not reimburse the social security tax withheld from your foreign employee, (name, SSN of employee), when we sent you a 512C Letter: _____, we have adjusted the wages in the amount of \$x,xxx.xx and refunded the social security tax erroneously withheld to the employee. Please adjust your account accordingly on the attached Form 941-X, Form 943-X, or Form 944-X for your portion of the tax. Form W-2C also needs to be filed.

- If the employer was not sent the 512C letter, use it in lieu of the 288C letter. See IRM 21.8.2.7.3 (4).
- The letter 512C open paragraph fill-in must contain the following statement:

Letter Paragraph
Because you did not reimburse the social security tax withheld from your foreign employee (name and SSN of employee), we have adjusted the wages in the amount of \$x,xxx.xx and refunded the social security tax erroneously withheld to the employee. Please adjust your account accordingly on the attached Form 941-X, Form 943-X, or Form 944-X for your portion of the tax. Form W-2C also needs to be filed.

- When transferring the erroneously withheld FICA credit from the employer's account to the employee's account, input the following on IDRS using CC ADD24:
 - Input TC 820 (for the amount of the TC 291) to the employer's account (Form 941/943/944). Use the normal (un-extended) due date of the Form 941, Form 943, Form 944 or the payment date (whichever is later) as the transaction date, and enter a two cycle Posting Delay Code. If there will be credit remaining on the account after the credit transfer posts, input TC 570 on this transfer and a TC 571 with a Posting Delay Code 4. If the employer account being adjusted has a balance due in the account being adjusted, do not use a TC 820. Instead, input a TC 652 or 672 to avoid an unpostable situation (Unpostable Code (UPC) 325). Apply credits (TC 650/670) beginning with most current paid date.

CAUTION: When the module balance is less than the erroneously withheld FICA credit, follow standard adjustment procedures, which may require adjusting or moving a credit from a prior quarter.

- Input TC 700 to the employee's account with a secondary TC 570 if a manual refund is being issued (when withholding is required on the interest). The transaction date of TC 700 is the later of: (1) The normal due date of the Form 1040NR return, or (2) The date of the payment(s) transferred from the Form 941/943/944.

NOTE: When changing a credit date, an override code "2" is needed on both the debit and credit parts of the transfer to bypass the debit/credit date consistency check.

IRM 21.8.2.9.6.2 Clarified procedures and updated IRM reference.

1. Refundable Credits are claimed on Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, lines 5a through 5i. The type of credits claimed on line 5i are:
 - Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, from line 12, page 2. See the instructions in "Section I" of Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, for additional information.
 - Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*.
 - Form 8288-A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*.
 - Form 1099 (various).
2. Refundable Credits are claimed on Form 1120-FSC, *U.S. Income Tax Return of a Foreign Sales Corporation*, lines 2a through 2g. The type of credits claimed on line 2g are:
 - Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*.
 - Form 1099 (various).
3. These refundable credits can be allowed without prior Examination Classification. To claim refundable credits, the recipient's copy of the information return, Form 1042-S, Form 8805, Form 8288-A, and withholding certificate (Form W-8BEN, e.g.) must be attached.

EXCEPTION: If supporting documents are not attached see Paragraph 5 below.

CAUTION: Withholding agents may make payments to disregarded entities but they should not include them as a recipient on Form 1042-S. The withholding agent must file a corrected Form 1042-S if they do. See **Payments Made to Persons Who Are Not Recipients** on Page (8) of the

Form 1042-S Instructions at: <http://core.publish.no.irs.gov/instrs/pdf/i1042-s--2014-00-00.pdf>, for additional information. If you cannot match the name and TIN on the Form 1042-S to the recipient's account, do not allow the credit(s). Follow no consideration procedures in IRM 21.5.3.4.6.3, *No Consideration Procedures*. Advise the filer of the Form 1120-F the claim cannot be considered until a corrected Form 1042-S is filed.

4. A statement or document from a withholding agent in lieu of a Form 1042-S will not be accepted.

NOTE: These refundable credits are considered Chapter 3 Withholding credits and are subject to the 180-day interest-free period. For more information on the 180-day interest-free period refer to IRM 20.2.4.7.6, *180-Day Rule*

5. # [REDACTED]

[REDACTED]

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6. Before allowing Form 1042-S refundable credits you must research the EIN of the withholding agent to ensure Form 1042 has been filed to report at least the amount of the credit claimed. See IRM 21.8.2.12.2.2, *Claims for Tax Withheld at Source*, for complete procedures.
7. To allow the credit use TC 290.00 and the appropriate CRN (the CRN will generate TC 766) for the amount of the credit as follows:
 - o CRN 330 - Form 1042-S
 - o CRN 331 - Form 8805
 - o CRN 332 - Form 8288-A
 - o CRN 333 - Amended Form 1042-S
 - o CRN 334 - Masterfile programming was implemented as of April 2013 to generate a new CRN 334. CRN 334 is a total of Lines 5f plus Line 5g plus Line 5h plus Line 5i plus any amount to the right of Line 5i minus Line 8b.
 - o TC 766 - Form 1099

NOTE: To reverse the credit use TC 290.00 and the appropriate CRN with a (-).

CAUTION: It should be noted that no refund credit is allowed if the withholding agent does not make any deposit of tax (i.e., the withholding reports a liability of tax, but makes no deposits of tax).

IRM 21.8.2.12.2.1(13) Updated paragraph to include information to see the new subsection IRM 21.8.2.12.2.2.

13. See IRM 21.8.2.12.2.2, *Claims for Tax Withheld at Source*, for claims involving Form 1042-S tax withheld at source.

IRM 21.8.2.12.2.2 Added new subsection to include procedures for claims for tax withheld at source.

1. If tax is withheld at source, the withholding agent **MUST** issue a Form 1042-S to the recipient. Use the following chart to handle claims for tax withheld at source.

If...	Then...
A foreign corporation had tax withheld by a withholding agent who reported this credit on Form 1042	The recipient can only recover this withholding by filing an income tax return.
The taxpayer files a claim on Form 843 for tax erroneously withheld	Return the claim to the taxpayer. Advise the taxpayer that an income tax return must be filed with Form 1042-S attached, even if a return is not normally required.
The taxpayer files an amended return	Process as a normal duplicate filing case, <ol style="list-style-type: none"> 1. Verify that the <u>income</u> on Form 1042-S is reported (use CFOL commands OR request return, if necessary). NOTE: When the income was not considered, adjust the account accordingly. 2. Research command code IRPTR to verify the same information on the Form 1042-S is reported in IRPTR. 3. Research the EIN of the

	<p>Withholding Agent to ensure Form 1042 has been filed to report and pay at least the amount of the credit claimed on the Form 1042-S.</p> <p>NOTE: If the withholding agent has not submitted the proper Form 1042, <i>Annual Withholding Tax Return for U.S. Source Income of Foreign Persons</i>, and paid at least the amount of the credit being claimed on Form 1042-S, no consider the claim.</p>
<p>The taxpayer files an amended return claiming that the amount withheld on Form 1042-S was incorrect</p>	<p>Return the claim to the taxpayer. Advise the taxpayer to resubmit the amended return with a copy of the corrected Form 1042-S.</p>
<p>The taxpayer files an amended return with a corrected Form 1042-S or a statement from the withholding agent in support of the amount actually withheld.</p> <p>NOTE: The statement or document from a withholding agent which is submitted in lieu of a Form 1042-S must include:</p> <ul style="list-style-type: none"> ○ Name and TIN of the withholding agent ○ Name and TIN (if applicable) of the recipient ○ Recipient's Country of Residence Code ○ Income code ○ Exemption Code (if applicable) ○ Tax rate ○ Gross income and U. S. Federal Income Tax 	<ol style="list-style-type: none"> 1. Research command code IRPTR to verify the same information on the Form 1042-S is reported in IRPTR. 2. Research the EIN of the Withholding Agent to ensure Form 1042 has been filed to report and pay at least the amount of the credit claimed. <p>NOTE: If withholding agent has not submitted the proper Form 1042, and paid at least the amount on Form 1042-S, no consider the claim.</p> <p>When verified, allow the credit with transaction code 766. Input a TC 29X with a Reference Code 330 for the amount of the credit to generate the TC 766.</p> <p>NOTE: Use of the reference code 330 will cause Master File to use the 180-day interest free calculation on the amount of the Chapter 3 withholding credit.</p>

Withheld	
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IRM 21.8.2.12.2.3 Added new subsection to explain the new programming beginning January 2015 affecting certain Forms 1120-F.

1. Beginning January 1, 2015 all Forms 1120-F with any portion of a refund supported by a Form 1042-S (CRN 330) will have the entire refund systemically frozen for up to 168 days. No notices will be generated to the taxpayers regarding the systemic freeze, which may result in telephonic or written inquiries referring to the frozen credits. However math error notices will continue to generate normally.

NOTE: Under the Hiring Incentives to Restore Employment (HIRE) Act enacted March 18, 2010, IRS has up to 180 interest free days to review IRC Chapters 3 and 4 credits.

2. The 168 day freeze period begins from the later of the return due date or the date the complete return including all necessary documentation was actually filed.

EXAMPLE: A complete refund 1120-F is filed in January. The refund will be held until September if the return due date is March 15th.

EXAMPLE: A complete refund 1120-F is filed in May for a return due in March. The refund will be held until November.

3. Refunds will be frozen systemically with a Transaction Code (TC) 570 a -R freeze and a TC 971 Action Code (AC) 746.

EXAMPLE: TC 150 for \$1,000 with a CRN 330 for \$1,500 will generate the systemic freeze and hold the \$500 refund.

EXAMPLE: TC 150 for \$.00 with a CRN other than 330 for \$1,000 and a CRN 330 for \$1,500 will generate the systemic freeze to hold the entire \$2,500 refund.

4. **Do not release the freeze.** Compliance will review the validity of these credits during the 168 day period. If Compliance deems the credit valid they may either manually release the freeze (in part or in its entirety) or the refund will systemically release at the end of the 168 day period; if the credit is deemed invalid they can extend the freeze. An extended freeze can be identified by a TC 971 AC 747 with a two digit character (01-99; the number of cycles the freeze is extended) in the miscellaneous field.

5. If a taxpayer calls to inquire about their refund and it is a frozen CRN 330 (1042-S) refund advise the caller: "The IRS will need additional time to process your return. Please allow IRS up to six months from the original due date or the actual filing date of the return whichever is later to receive your refund".
6. Refer taxpayers who indicate waiting for their refund will create economic harm to TAS. See IRM 13.1.7.2, *TAS Case Criteria*, for referral procedures.
7. If a duplicate or amended return is received for the purpose of receiving the frozen credit, issue correspondex letter 3064c, or other appropriate letter. Use the language in paragraph 5 above to advise the taxpayer about the delay. Process other amended returns normally but **do not release any Chapter 3 or 4 frozen credits**.

IRM 21.8.2.17.1.1 Updated what information is sent to LB&I.

1. Filers from outside the United States will submit a package to a specific mailbox in Submission Processing in Austin. The filing package will contain:
 - o Complete delinquent tax returns, together with the required information returns (Forms 3520, 3520-A, 5471, 5472, 8938, 926, or 8621) for each of the most recent three years for which the U.S. tax return due date, including extensions is past or
 - o If a U.S. tax return has been filed previously, filers will submit a package containing amended returns, together with the required information returns (Forms 3520, 3520-A, 5471, 5472, 8938, 926, or 8621) for each of the most recent three years for which the U.S. tax return due date, including extensions is past.
2. For both delinquent originals and amended returns, filers are instructed to write at the top of the first page of each return, and each information return, "Streamlined Foreign Offshore".
3. For both delinquent originals and amended returns, filers must submit a signed certification statement certifying:
 - o The taxpayer or taxpayers are eligible for the SFO program
 - o The tax years and amounts owed for each year (including interest) and make payment for those amounts due
 - o The taxpayer has filed all appropriate FBAR's
 - o The specific reasons for failure to report all income, pay all tax, and submit all required information returns including FBAR's
4. Submission Processing (SP) in Ogden will review the packages that contain both original and amended returns. SP will ensure the necessary certifications are attached and complete. If they are incomplete SP will correspond with the taxpayer to perfect the submissions. SP will attach an "AM Streamline Coversheet" to cases they have corresponded with the taxpayer on and notate the response, e.g. "Response Received and Attached" or "No Reply". Submission Processing will not review packages that contain only amended returns. Paragraph 9 below provides detailed information on corresponding in order to perfect streamline packages.

5. LB&I will review the submissions for statute considerations. LB&I will complete the "AM Streamline Coversheet" and attach it to the package notating their statute recommendations regarding open statutes and statute extensions.
6. Delinquent original returns will be processed in SP.
7. Amended returns will be scanned to CIS for Accounts Management processing and assigned to a designated IDRS number for subsequent assignment to CSRs.
8. One CSR must work all related cases.
9. Use the table below to determine if the required certification is complete:

NOTE: If the taxpayer completes the certification for only one or two tax years, and submits the same number of original and/or amended returns, do not question whether additional years should have been submitted. As long as the tax years listed on the certification are filed (whether original or amended), accept that the number is correct.

If	Then
<p>The certification is attached, and:</p> <ol style="list-style-type: none"> 1. The amounts owed for each tax year, including interest, are calculated, and 2. The amounts owed, including interest, have been paid, and 3. The amounts paid equal the taxpayer's calculations, and 4. The taxpayer has completed the section stating the specific reasons for failure to report all income, pay all tax, and submit all required information returns, <p>#</p> <div style="background-color: black; width: 150px; height: 40px; margin: 5px 0;"></div> <p>#, and</p>	<p>The certification is complete. Follow the instructions in Paragraph 10 below.</p>

<p>5. The taxpayer(s) have signed the certification under penalties of perjury</p>	
<p>Submission Processing has previously corresponded with the taxpayer for missing/incomplete information and received the necessary information, per the AM Streamline Worksheet</p>	<p>The certification is complete. Follow the instructions in Paragraph 10 below.</p>
<p>Submission Processing has previously corresponded with the taxpayer for missing/information and received no reply, per the AM Streamline Worksheet</p>	<p>Do not correspond a second time. Follow the instructions in the row below (no reply), beginning with the second bullet.</p>
<p>There is no certification attached or, the certification is attached but:</p> <ol style="list-style-type: none"> 1. The amounts owed for each tax year, including interest, are not calculated, or 2. The amounts owed, including interest, are not paid or, 3. The amounts paid do not equal the taxpayers calculations or, 4. The taxpayer does not complete the section stating the specific reasons for failure to report all income, pay all tax, and submit all required information returns, including FBAR's, or 5. The taxpayer does not sign the certification under penalties of perjury 	<p>Call or correspond with the taxpayer. If corresponding, issue 178C, using the appropriate paragraph(s) to address the specific items missing from the certification. Suspend the case for 40 days.</p> <ul style="list-style-type: none"> ○ If the taxpayer responds with the necessary information, securely e-mail the TIN to a designated mailbox: "*LB&I OVDP Compliance" with an explanation the case is being sent post assessment and is a Certification Reply. Enter CIS case notes saying referred to LB&I as a "Certification Reply". Then follow paragraph 10 below. ○ If the taxpayer does not respond, treat the case like a normal amended return. Do not restrict the failure to file or failure to pay penalties and do not input TC 971 with Action Code(AC) 178. <p>NOTE: The 178C letter includes language advising the taxpayer if they do not respond,</p>

	<p>the case(s) will be closed using normal procedures, so no closing letter is necessary for "No Reply" cases.</p> <ul style="list-style-type: none"> ○ After making the assessment on no response cases, securely e-mail the TIN to a designated mailbox: "*LB&I OVDP Compliance" with an explanation the case is being sent post assessment and is a "No Reply." Enter CIS notes indicating the case was referred to *LB&I OVDP Compliance due to "No Reply".
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10. Accounts Management will perform the following actions prior to adjusting accounts under the SFC:
- Review the account for a -Z freeze. If there is a -Z freeze on the account, contact CI to determine whether an amended return filed using the Streamlined Foreign Offshore Compliance Procedures can be processed. Follow CI's direction. See -Z freeze instructions at IRM 21.5.6.4.52 *-Z Freeze*.
 - Review each tax year for statute consideration. Refer to Statutes for clearance or assessment when necessary. See IRM 25.6 *Statute of Limitations*.
 - Review Command Code AMDIS for examination involvement. Follow the table below if any of the affected accounts are found on Command Code AMDIS.

If	Then
All affected tax years are in AMDIS status less than 12	<p>Process all related amended returns as Streamline. Follow paragraph 11 below.</p> <p>NOTE: Forward the case to Exam, based on the AIMS data (after processing as Streamlined) when AMDIS status is 09 or greater and less than 90.</p>
Any tax year is in AMDIS status 12 or greater	<ul style="list-style-type: none"> ○ Process all related amended returns as <u>normal</u> amended adjustments. Do not restrict penalties. Do not input TC 971 AC 178. Allow the adjustment notice(s) to generate. ○ Send Letter 916C with the following language using two open paragraph(s): "Our records show that the IRS already has an open examination for one or more of the years

	<p>covered by your submission. For this reason, you are not eligible for the penalty relief provided under the Streamlined Procedures." "You should contact the examiner assigned to your pending examination to discuss the applicability of penalties and any defenses you may have for the years covered by your submission."</p> <ul style="list-style-type: none"> ○ Notate CIS case notes, "Streamline case worked as normal due to open examination." ○ Forward the case to Exam, per the AIMS data, after processing.
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11. To complete adjustments on amended returns filed under the SFC:

1. Input a Transaction Code (TC) 971 Action Code (AC) 178, using the amended return received date as the transaction date, to each affected tax year. TC 971 AC 178 denotes Streamlined Filing Compliance. The xClaim tool has been programmed to allow AC 178.
2. Ensure the payments are allocated correctly among the affected tax years according to the calculations made on the taxpayer certification. If not, follow normal credit transfer procedures using appropriate credit freeze codes to ensure no erroneous refunds occur.
3. Use all normal adjustment procedures, including the use of IAT tools, when making the tax assessment to each tax year, with the following exception: Restrict the failure to file and failure to pay penalties on each tax year by inputting TC 160 and TC 270 for zero dollars.

NOTE: If any payments were transferred, use appropriate posting delay codes on the adjustment(s) to ensure the adjustment does not post before the payments are posted correctly

4. Allow the adjustment notice to generate. Do not correspond with the taxpayer(s) because they are advised on IRS.gov that they may receive a balance due notice or a refund if the tax or interest is not calculated correctly.)

5. # 

