



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

21.6.8

SEPTEMBER 5, 2019

## EFFECTIVE DATE

(10-01-2019)

## PURPOSE

- (1) This transmits a revised IRM 21.6.8, *Individual Tax Returns, Split Spousal Assessments (MFT 31 / MFT 65)*.

## MATERIAL CHANGES

- (1) IRM 21.6.8.1 - Updated the purpose statement to show IRM 21.6.8 is used after the MFT 31 module is created.
- (2) IRM 21.6.8.9.1 (IPU 18U1432 issued 11-07-2018) - Changed the date to use in the "RFSCDT" field.
- (3) IRM 21.6.8.9.2 (IPU 18U1432 issued 11-07-2018) - Changed the date to use in the "RFSCDT" field.
- (4) IRM 21.6.8.9.2 - Added additional conditions which may have created the overpayment to (5).
- (5) Minor editorial changes made throughout the IRM.

## EFFECT ON OTHER DOCUMENTS

IRM 21.6.8, *Split Spousal Assessments (MFT 31 / MFT 65)*, dated 08-06-2018 (effective 10-01-2018) is superseded. This also incorporates Interim Procedural Update (IPU) 18U1432 dated 11-07-2018.

## AUDIENCE

Employees located in all business operating divisions who have contact with taxpayers either by phone, correspondence or personal contact

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Wage and Investment Division



21.6.8

Split Spousal Assessments

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21.6.8.1  
(10-01-2019)  
**Program Scope and Objectives**

- (1) **Purpose:** This Internal Revenue Manual (IRM) covers the purpose, the creation, and how to resolve split spousal assessment accounts after they have been created.
- (2) **Audience:** The primary users of the IRM are all IRS employees in Business Operating Divisions (BODs) who are in contact with taxpayers by telephone, correspondence, or in person.
- (3) **Policy Owner:** The Director of Accounts Management.
- (4) **Program Owner:** Policy and Program Management, Accounts Management, Wage and Investment (WI).
- (5) **Primary Stakeholders:** The primary stakeholders are organizations that Accounts Management collaborates with; Return Integrity & Compliance Systems (RICS), Compliance, Field Assistance, Taxpayer Advocate, and Submission Processing.
- (6) **Program Goals:** Program goals for this type of work are included in the Accounts Management Program Letter as well as IRM 1.4.16, *Accounts Management Guide for Managers*.

21.6.8.1.1  
(10-01-2017)  
**Background**

- (1) Employees in the Accounts Management (AM) organization respond to taxpayer inquiries and phone calls as well as process claims and other internal adjustment requests. Additional background information can be found in IRM 21.6.8.2, *Split Spousal Assessments Overview*.

21.6.8.1.2  
(10-01-2017)  
**Authority**

- (1) Refer to IRM 1.2.1, *Servicewide Policy Statements*, for information.

21.6.8.1.3  
(10-01-2017)  
**Responsibilities**

- (1) The Wage and Investment Commissioner has overall responsibility for the policy related to this IRM which is published on a yearly basis.
- (2) Additional information is found in IRM 1.1.13.7.3, *Accounts Management (AM)*, and IRM 21.1.1, *Accounts Management and Compliance Services Overview*.

21.6.8.1.4  
(10-01-2017)  
**Program Controls**

- (1) **Program Reports:** The program reports provided in this IRM are for identification purposes for the Accounts Management Customer Service Representatives (CSRs) and Tax Examiners (TEs). For reports concerning quality, inventory, aged listing, please refer to IRM 1.4.16, *Accounts Management Guide for Managers*, for Accounts Management Managers. Aged listings can also be viewed by accessing Control Data Analysis, Project PCD, are on the Control-D/Web Access server, which has a login program control.
- (2) **Program Effectiveness:** Program Effectiveness is determined by Accounts Management's employees successfully using IRM guidance to perform necessary account actions and duties.
- (3) **Program Controls:** Goals, measures and operating guidelines are listed in the yearly Program Letter. Quality data and guidelines for measurement is referenced in IRM 21.10.1, *Embedded Quality (EQ) Program for Accounts*

*Management, Campus Compliance, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Compliance Services (RICS) and Electronic Products and Services Support.*

21.6.8.1.5  
(10-01-2017)  
**Acronyms**

- (1) For a comprehensive listing of IRS acronyms, refer to the *Acronym Database*. Below are acronyms currently not listed in the database.

Acronym	Definition
CCO	Campus Collection Operation
DUPA	Duplicate Assessment
IRRQ	Internal Request
REFA	Refund Affordable Care Act
REFM	Refund MFT 31
RFSCDT	Refund Statute Control Date

21.6.8.1.6  
(10-01-2017)  
**Related Resources**

- (1) Refer to IRM 1.4.2.1.8, *Related Resources*, for information on related resources that impact internal controls. Refer to other sections of IRM 21 as directed throughout this IRM.

21.6.8.2  
(10-01-2016)  
**Split Spousal Assessments Overview**

- (1) In January 2001, the Master File Tax (MFT) 31, Separate Assessment Module, was added to the Individual Master File (IMF). MFT 31 contains split spousal assessments previously processed to the Automated Non-Master File (ANMF) (For additional information regarding ANMF, see IRM 3.17.46, *Automated Non-Master File Accounting*).
- (2) In January 2016, MFT 65 was added to IMF. MFT 65 is a mirror of MFT 35, Shared Responsibility Payment (SRP). For additional information regarding SRP, see IRM 21.6.4.4.21.3, *Shared Responsibility Payment Overview*.
- (3) Split Spousal Assessments are assessments against an individual taxpayer on a joint module (as shown on MFT 30). The individual assessment is made on MFT 31 or MFT 65. Both MFT 31 and MFT 65 can be created when the module meets one or more of the following conditions:
- Collection action is prohibited against only one spouse.
  - Each spouse is liable for different amounts.
  - Each spouse has different penalty and/or interest suspension periods.
  - Each spouse has a different statute of limitations.
- (4) The triggering event is one listed in IRM 21.6.8.4, *What is MFT 31 / MFT 65*. If the triggering event is not listed, then the module either stays on MFT 30 / MFT 35 or is moved to NMF (for MFT 30 only).

21.6.8.3  
(10-01-2018)  
**Disclosing Taxpayer Data**

- (1) Returns and return information for individuals filing income tax returns jointly may be disclosed to either of the individuals identified on the return. This only applies to the joint return itself, including attachments to such a return (the MFT 30 module). IRC § 6103(e) provides that certain limited collection information regarding one spouse must be disclosed to the other spouse relative to

tax deficiencies with respect to a jointly filed return where the individuals filing such return are no longer married or no longer reside in the same household. A written or verbal request can be accepted. This applies to the mirrored module.

- (2) Information from the mirrored module that must be disclosed to either spouse, if requested, includes:
  - a. Whether the Service has attempted to collect the deficiency from the other spouse;
  - b. The amount collected, if any, and how it was collected (such as refund offset, payment (which can be identified by the designated payment code (DPC)), etc.);
  - c. The current collection status (i.e., installment agreement, Currently Not Collectible (CNC), etc.);
  - d. If the module is CNC, the reason (i.e., unable to locate, hardship, etc.)
- (3) Information which will not be disclosed includes:
  - a. The other spouse's location;
  - b. The other spouse's name change;
  - c. The other spouse's telephone number;
  - d. Information about the other spouse's employment, income or assets;
  - e. The income level at which a CNC module will be reactivated
- (4) Exercise caution when spouses do not have the same power of attorney (POA) to ensure the information of one spouse is not inadvertently disclosed to the POA of the other spouse.
- (5) For additional disclosure information, see IRM 21.1.3.2, *General Disclosure Guidelines*, and IRM 11.3.2.4, *Persons Who May Have Access to Returns and Return Information Pursuant to IRC §6103(e)*.

**Note:** Employees with questions about disclosure can refer to the *Disclosure website*.

#### 21.6.8.4

(10-01-2015)

#### What is MFT 31 / MFT 65

- (1) MFT 31 and MFT 65 are Master File Account Codes used to identify assessments against an individual taxpayer on a joint module and is generated by one or more of the following:
  - **Bankruptcy** — either spouse is discharged or dismissed from bankruptcy.
  - **Offer in Compromise (OIC)** — either spouse makes an offer on a liability.
  - **Restitution-based** — one spouse has an assessment of criminal restitution ordered payable to the IRS has been made.
  - **Tax Court** - either spouse is going to Appeals or petitions the tax court. (Exam / Automated Underreporter (AUR) / Appeals).
  - **Innocent Spouse** — one spouse is fully or partially relieved of the liability for an assessment made against a joint module.
  - **Exam agreed / unagreed cases** — only one spouse agrees to the tax deficiency, while the other spouse does not agree, but does not appeal or file a petition (this could include a deceased taxpayer and neither the surviving spouse nor the executor sign the Revenue Agent Report).

- **Taxpayer Assistance Order** — either spouse files Form 911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*.
  - **Installment Agreement** — either spouse requests an installment agreement.
  - **Currently Not Collectible (CNC)** — either spouse qualifies for CNC based on financial status.
- (2) There are three types of MFT 31 modules:
- **Split/Transfer** - modules created or in process prior to January 2005 or a qualifying NMF MFT 20 module (collection statute expiration date (CSED) expired after January 1, 2005)
  - **Mirrored** - generally, modules created after December 2004 for bankruptcy OIC Form 911, installment agreement, or CNC
  - **Exam / Appeals / AUR** - Only one spouse is going to Appeals, petitions the tax court, petitioned bankruptcy court, or a court ordered restitution payable to IRS in a criminal tax case
- (3) MFT 65 modules are mirrored modules only and created when one of the following apply: bankruptcy, OIC, installment agreement, CNC, and Form 911. See the table below.
- (4) The triggering event determines when the module is moved from MFT 30, or from MFT 35, and the type of module established. The type identifies if the credits posted to the module are systemically mirrored or manually mirrored. The transaction code (TC) 971 action code (AC) identifies the triggering event.



Triggering Event	When MFT 31 / MFT 65 module is established	Type of MFT 31 / MFT 65 module	Identified by TC 971 Action Code
Bankruptcy by only one spouse (can also apply to individual assessments shown below)	Upon discharge or dismissal	Systemically Mirrored	100
OIC submitted by only one spouse	Resolution decision and approval	Systemically Mirrored	101
Joint OIC	Default of accepted OIC by only one spouse	Systemically Mirrored	101
<p>Court order requiring payment of restitution to IRS in a criminal case, for any modules created after Mar. 23, 2011 (not applicable to MFT 65).</p> <p><b>Note:</b> Prior to 3/23/2011, action code 102 was used when one spouse agreed to an Exam, one spouse went to Appeals or one spouse agreed to an AUR assessment.</p>	Upon receipt of assessment documents	Manually Mirrored	102
Individual assessments (i.e. Exam / Appeals / AUR) on a joint account (not applicable to MFT 65)	Filing of petition, agreement to tax adjustment or default by only one spouse, or partial innocent spouse relief granted	Manually Mirrored	103

Triggering Event	When MFT 31 / MFT 65 module is established	Type of MFT 31 / MFT 65 module	Identified by TC 971 Action Code
Innocent Spouse (not applicable to MFT 65)	Determination made by the Cincinnati Centralized Innocent Spouse Operation	Systemically Mirrored	104
Taxpayer Advocate case	Filing of Form 911 by only one spouse	Systemically Mirrored	106
Installment Agreement	Upon approval of the installment agreement	Systemically Mirrored	107
Currently Not Collectible	Upon approval of CNC	Systemically Mirrored	109

**Caution:** Only Campus Collection Operations (CCO) in Philadelphia create installment agreement and CNC modules. See IRM 5.19.1.6.7.1, *Front End Mirror Assessments Process for IA Closures*, and IRM 5.19.17.2.1.8.1, *Front End Mirror Assessments Process for CNC Closures*, for more information.

- (5) MFT 31 and MFT 65 modules are not established by the Accounts Management (AM) function. If problems are identified with the set-up, the originating function must correct the module.
- (6) When established, the primary taxpayer identification number (TIN) on the joint MFT 30 and/or MFT 35 module will show:
  - A TC 971 AC 100, 101, 102, 103, 104, 106, 107, or 109 to indicate the module is on MFT 31 or MFT 65, as applicable. The action code identifies the reason.
  - The TC 971 with a cross-reference TIN (XREF TIN) field entry showing either the primary or secondary TIN.
  - If it's a mirrored module, the TC 971 AC 045 (used prior to January 1, 2005) or AC 145 (used after January 1, 2005) generates a TC 400 which zeros out the MFT 30 / MFT 35 module.
- (7) A pending TC 971 AC 10X (listed above) indicates an MFT 31 / MFT 65 module(s) is being created.
- (8) Notice and/or letter issuance is generated using the "Current Name Line" for the MFT 30 / MFT 35 liability and the Primary Taxpayer Name Line (PTNL) for MFT 31 / MFT 65 liability.

21.6.8.5  
(10-01-2005)  
**Split/Transfer Module  
Overview**

- (1) MFT 31 modules established, or processed, between January 2001 and January 2005 were established as split/transfer modules.
- (2) Split/transfer modules included transactions and balances for the liable spouse after the other was relieved, in full or in part, of the liability due to:
  - Innocent spouse relief
  - Bankruptcy discharge
  - Accepted OIC
  - Tax Court ruling
  - Open in Exam

**Note:** Taxpayer Advocate cases were not included in the initial MFT 31 program.

- (3) Split/transfer modules were established after January 1, 2005, if the case was:
  - Sent to the Accounting function for processing prior to January 1, 2005
  - Open in Innocent Spouse inventory and one MFT 31 module was established prior to January 1, 2005
  - Open in Examination prior to January 1, 2005

21.6.8.5.1  
(10-01-2016)  
**Split/Transfer Modules**

- (1) The following actions created a split/transfer module:
  - The originating office (Collection, Exam or Appeals) input a TC 971 with the appropriate AC to the joint tax liability module using command code REQ77.
  - The TC 971 AC 100, 101, 102, 103, and 104 generated a TC 971 with the same AC to open the MFT 31 module. The TC 971 posted on the MFT 31 with the XREF TIN field of the primary taxpayer. That was how the primary taxpayer's MFT 30 tax module was identified.
  - The social security number (SSN) of the obligated spouse (for whom the MFT 31 module was created) was entered in the cross-reference TIN (XREF TIN) field. In some cases, both spouses were obligated. If so, two TC 971s were input.
  - To move the liability to MFT 31, the originating office prepared Form 12810, *Account Transfer Request Checklist*. The Accounting function input a TC 971 AC 145 to IDRS, systemically generating a TC 400 and M- freeze on the joint module.
- (2) When the "split" assessment was based on the processing of the original return, the MFT 31 separate assessment module reflected a TC 150.
- (3) When the "split" assessment was due to an audit or other subsequent assessment, (increasing tax, decreasing credits, etc.), No TC 150 was present on the MFT 31 module.
- (4) The TC 971 XREF TIN on MFT 31 for both the primary and secondary SSN reflected the primary SSN for the joint tax module.

21.6.8.6  
(10-01-2016)  
**Mirrored Module  
Overview**

- (1) MFT 31 modules established after January 1, 2005, were established as a mirrored module, with the exception of Action Code 102 and 103, which are never mirrored. Master File programming for MFT 31 allows the systemic mirroring of the MFT 30 module.

- (2) As of January 1, 2016, Master File programming for MFT 65 allows the systemic mirroring of the MFT 35 module.
- (3) The mirroring process systemically establishes two MFT 31 and/or MFT 65 modules. One for each spouse's TIN. Credits are systemically credited to the spouse's module.

**Note:** Adjustments input after the module is mirrored are not systemically mirrored on the spouse's module, however, adjustments to refundable credits do mirror. See IRM 21.6.8.6.1, *Mirrored Modules*, for a list of transaction codes that mirror.

- (4) The following account conditions cannot be mirrored:
  - Accounts with an Internal Revenue Service Number (IRS#) or an Individual Taxpayer Identification Number (ITIN) as the primary TIN. These accounts will be moved to Non-Master File (NMF).
 

**Exception:** ITINs with the 4th and 5th digits with the following ranges can be mirrored: 50-65, 70-88, 90-92 and 94-98.
  - Accounts where the secondary SSN is invalid, unless the invalid condition can be resolved.
  - The module for the year of death of the secondary taxpayer.
- (5) Payments with designated payment code (DPC) 31 are not mirrored to the spouse's module.

21.6.8.6.1  
(10-01-2015)  
**Mirrored Modules**

- (1) Two TC 971s are input on the MFT 30 and/or MFT 35 module indicating the triggering event, one with the primary TIN as the cross-reference TIN and one with the secondary TIN as the cross-reference TIN.
- (2) TC 971 AC 145 input on the MFT 30 and/or MFT 35 module generates a TC 400 on those MFTs, copies all transactions to the two MFT 31 and/or MFT 65 modules, and creates an M- Freeze, *Account Transfer Out Freeze*, on all three modules. Credits are generated to all three modules, making them appear as a zero balance.

**Caution:** The modules appear full paid at this point, but it is not. The balance due will be re-established when the M- freeze is released.

- (3) A TC 370 generates and posts to both MFT 31 and/or MFT 65 modules when TC 971 AC 145 posts. The TC 370 establishes the secondary entity, if necessary.
- (4) TC 971 AC 110 generates and posts to the MFT 31 and/or MFT 65 modules. TC 971 AC 110 cross-reference the module to the spouse's TIN and allow certain transactions to mirror to the cross-reference TIN.
- (5) TC 972 AC 145 input on all three modules, MFT 30 and/or MFT 35 and both MFT 31 and/or MFT 65 modules, causes the following:
  - Releases M- freeze
  - Generates TC 402 which debits each module
  - Generates TC 971 AC 132 on MFT 30 and/or MFT 35

- (6) TC 971 AC 132 generates a TC 604 credit making the MFT 30 module show a zero balance. The TC 604 will have a unique Julian date of 996.
- (7) The entire mirroring process can take 4 - 6 weeks.
- (8) Once the MFT 31 and/or MFT 65 modules are created, only certain transaction codes systemically mirror. The following table shows which transaction codes systemically mirror using a corresponding credit (TC 766 Reference Number 337), or debit (TC 767 Reference Number 337), on the related MFT 31 and/or MFT 65 module. All systemically mirrored transactions post with a Julian date of 997.

Mirrored transaction codes include:			
61X	64X	66X	67X
68X	69X	70X	72X
73X	76X	80X	82X

- (9) To stop the mirroring of credits, input a TC 972 AC 110 using the transaction date of the TC 971 AC 110.

**Example:** When one module is paid in full and the payments should no longer be mirrored, input a TC 972 AC 110 on both modules to stop the mirroring.

21.6.8.7  
(10-01-2017)  
**Exam/Appeals/AUR MFT  
31 Module Overview**

- (1) MFT 31 Exam / Appeals / AUR modules are created for one of the following:
  - **Restitution** - an assessment of restitution is made pursuant to a court order in a criminal case
  - **Tax Court** - only one spouse requests to go to Appeals, petitions Tax Court, or signs an agreement with regard to a proposed tax adjustment
  - **Bankruptcy** - only one spouse has filed bankruptcy and the non-bankrupt spouse has defaulted
  - **Innocent spouse** - an innocent spouse claim is filed during open examinations
- (2) The modules are systemically established but not mirrored.
- (3) These modules can be identified with a TC 971 AC 102 or 103. Beginning March 23, 2011, Action Code 102 is used exclusively to create or identify restitution-based assessment MFT 31 modules.

**Note:** For a TC 971 AC 102 dated March 23, 2011, or later, the module may contain a TC 971 with AC 180 - 189 in lieu of AC 110.

**Note:** TC 971 AC 180 and 181 indicates there is not a duplicate module.

- (4) Since non-mirrored accounts do not reflect what is on the MFT 30 module, MFT 30 should be reviewed for interest-free periods, such as Rev. Rul. 99-40, statute extensions, etc. If the taxpayer is entitled to an interest-free period, manually compute the interest on MFT 31. See IRM 20.2.5, *Interest on Underpayments*.

21.6.8.7.1  
(10-01-2016)

**Exam/Appeals/AUR MFT  
31 Modules**

- (1) Exam / Appeals / AUR MFT 31 modules are commonly established for one spouse. When both spouses have an MFT 31 module for the same tax period, the taxpayers may still be individually liable. The presence of a TC 971 AC 110 indicates the taxpayers are responsible for the same debt, and payments will be reflected on both modules to assure proper balance due information. See IRM 21.6.8.9.1, *DUPASMT Transcripts*, for information on how the payments get credited from one spouse to the other.
- (2) If there is one MFT 31, the same assessment has posted on MFT 30 and either taxpayer disagrees with the assessment, send a Form 4442, *Inquiry Referral*, to the area that created the MFT 31 module.
- (3) Restitution-based inquiries should be directed as follows:

Issue	Route to:
<ul style="list-style-type: none"> <li>Questions regarding restitution payments made, received, and/or credited to their restitution assessment or another assessment and/or interest computations on the restitution assessment</li> <li>Requests for the balance remaining on the module</li> </ul>	Campus Collection Operations, 1973 N. Rulon White Blvd, Ogden, UT 84404, ATTN: CCO RBA / MS 5300 Or secure email to: <i>*SBSE Ogden RBA</i>
<ul style="list-style-type: none"> <li>Requests for an installment agreement</li> <li>Inability to pay, incarcerated, or deceased</li> </ul>	Internal Revenue Service, Advisory Probation/ Restitution Program, 1100 Commerce St., Mail Code 5028 DAL, Dallas, TX 75242
<ul style="list-style-type: none"> <li>Taxpayer questions or disputes the restitution-based assessment or the assessment amount</li> <li>Requests for information on penalty or interest computations</li> <li>All other technical questions or issues not specifically addressed above</li> </ul>	SBSE Examination Technical Services, 300 North Los Angeles St, Los Angeles, CA 90012-3308, ATTN: Technical Services Or secure email to: <i>*SBSE TECH Svs Criminal Restitution</i>

21.6.8.8  
(10-01-2017)

**Inquiries**

- (1) Follow normal procedures for inquiries on MFT 31 and/or MFT 65 modules. Refer to all established IRM procedures to resolve issues (e.g., payment tracers, credit transfers, adjustments, refund, penalty and interest inquiries / computation, installment agreements, transcript requests, statute, etc.). Research MFT 30 and/or MFT 35 and both the primary and secondary MFT 31 and/or MFT 65 modules as necessary.
- (2) The same notice routines are applicable for MFT 31 and/or MFT 65 as for MFT 30 and/or MFT 35. Therefore, be aware that notices generating from an MFT 31 module carry the "1040" type tax listed on the notice. MFT 65 notices show "shared responsibility payment."
- (3) If an inquiry involves a **combination** of a current Master File account **and** a Non-Master File (possibly a split assessment module prior to Jan. 01, 2001), which requires research on the ANMF system, prepare Form 4442, *Inquiry Referral*. Route the case to the NMF Function.

- (4) Follow established referral procedures for issues and freeze conditions outside the AM scope of work.
- (5) Refer taxpayer calls regarding Innocent Spouse issues, such as status of current claims or general inquiries regarding the filing of a claim, to the Innocent Spouse toll-free number at 855-851-2009 (M-F, 7:30 a.m. - 3:30 p.m. Eastern Time). Address all other taxpayer issues prior to giving out the toll-free number. Ensure you have answered all inquiries relating to non-Innocent Spouse issues.

**Note:** This toll-free number is for Innocent Spouse (Form 8857, *Request for Innocent Spouse Relief*) calls only; follow normal procedures for Injured Spouse (Form 8379, *Injured Spouse Allocation*) inquiries.

- (6) Offset occur from a joint account (MFT 30) to the MFT 31 and/or MFT 65 module for the primary TIN and secondary TIN.
- (7) When responding to a balance due inquiry, if an MFT 31 and/or MFT 65 module appears to have a zero balance, research Command Code (CC) TXMOD to verify the mirroring process has been completed. If the MFT 31 module contains a TC 150 and a TC 402, the mirroring is finished. If not, allow two weeks for the process to complete. If the MFT 65 module contains a TC 240 and a TC 402, the mirroring is finished.
- (8) If the taxpayer wants to make a payment before the MFT 31 and/or MFT 65 module is established, post the payment to the MFT 30 and/or MFT 35 module along with a TC 570.

**Exception:** For Criminal Restitution payments, see IRM 21.3.4.7.7.3, *Restitution Payments*.

- (9) When making a payment intended for an MFT 31 and/or MFT 65 module, taxpayers should notate "PTNL" after their TIN and "MFT 31" or "MFT 65" in the memo section. "PTNL" helps to correctly apply the payment to the module.
- (10) If the taxpayer wants to make a payment using the Electronic Federal Tax Payment System (EFTPS), advise the taxpayer to follow these steps in order to have the payment correctly applied to MFT 31:
  1. Select the payment tab.
  2. Select the drop-down menu on "Select Tax Form".
  3. From the drop down menu, select "1040 Separate Assessment / Innocent Spouse".

**Note:** At this time, the Direct Pay system does not support payments to MFT 31.

- (11) Notice status 21, 56, and 58 history cannot be transferred to MFT 31 and/or MFT 65 when it is established. For MFT 31 only, the original 1% start date which triggers a 1% Failure to Pay (FTP) penalty will be lost. Use the date of the FTP indicator to compute the FTP. Indicators are:
  - MFT 30 shows status 58
  - TC 971 AC 035
  - TC 971 AC 069



- (12) Once the MFT 31 and/or MFT 65 modules are created, the notice status for the spouses may differ. This may cause the penalties (MFT 31 only) and interest to compute differently. In addition, if FTP is assessed at different times, the amount of interest owed will be different.

**Note:** If a taxpayer inquires about the interest computation, you may need to manually verify the interest was computed correctly due to systemic limitations.

**Note:** Interest on the Shared Responsibility Payment for both MFT 35 and MFT 65 starts from the assessment date (23C date).

- (13) Per the Taxpayer Bill of Rights (TBOR), taxpayers have the right to expect a fair and just tax system which provides taxpayers with the opportunity to have their facts and circumstances considered when it might affect their underlying liabilities, ability to pay, or ability to provide information timely.
- (14) Taxpayers have the right to receive assistance from the Taxpayer Advocate Service (TAS) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels. For additional information, visit the *Taxpayer Bill of Rights*.
- (15) Refer taxpayers to TAS when the contact meets TAS criteria (see IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*), or when Form 911, *Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order)*, is attached and steps cannot be taken to resolve the taxpayer's issue the same day. "Same day" includes cases that can be completely resolved in 24 hours, as well as cases where steps can be taken within 24 hours to begin resolving the issue. (See also IRM 13.1.7.4, *Same Day Resolution by Operations*.) When making a TAS referral, use Form 911, and forward to TAS in accordance with your local procedures.

21.6.8.8.1  
(10-01-2015)  
**Missing Payments**

- (1) Research missing payments using normal procedures. See IRM 21.5.7, *Payment Tracers*.
- (2) DPC 31 prevents the associated payment from being cross-referenced to the other related MFT 31 module. DPC 31 payments should **NOT** be manually mirrored.
- (3) Use the following procedures to ensure payments are credited to the appropriate modules:

**Note:** Consider a module with TC 972 AC 110 as a non-mirrored module when using the chart below.



If	Then
Payment was applied to a mirrored module in error	Follow normal credit transfer procedures to move the payment to the correct module. See IRM 21.5.8, <i>Credit Transfers</i> . The debit will be systemically mirrored on the spouse's module.
Payment was erroneously applied to a module that is not mirrored	<ol style="list-style-type: none"> <li>Follow normal credit transfer procedures to move the payment to the correct module. See IRM 21.5.8, <i>Credit Transfers</i>.</li> <li>If the payment was manually mirrored to the spouse's module, take the following actions on the spouse's module: <ul style="list-style-type: none"> <li>Input TC 290 .00</li> <li>Input reference number 337 with payment amount entered as a negative amount.</li> <li>Enter the return processable date (RPD) - posting date of the payment.</li> <li>Use hold code (HC) 3, reason code (RC) 099, blocking series (BS) 05, priority code (PC) 9.</li> <li>Enter "Reverse misapplied payment" in the remarks field.</li> </ul> </li> </ol>
Payment was intended for a mirrored module	Follow normal credit transfer procedures to move the payment to the correct module. See IRM 21.5.8, <i>Credit Transfers</i> . The credit will be systemically mirrored on the spouse's module.
Payment was intended for a module that is not mirrored	<ol style="list-style-type: none"> <li>Follow normal credit transfer procedures to move the payment to the correct module. See IRM 21.5.8, <i>Credit Transfers</i>.</li> <li>Take the following actions on the spouse's module: <ul style="list-style-type: none"> <li>Input TC 290 .00</li> <li>Input reference number 337 for the payment amount</li> <li>Enter the RPD - posting date of the payment</li> <li>Use HC 3, RC 099, BS 05, PC 9.</li> <li>Enter "Manually mirror payment" in the remarks</li> </ul> </li> </ol> <p><b>Note:</b> Never adjust the spouse's module to reflect a payment with DPC 31.</p>

21.6.8.8.2  
(10-01-2018)  
**Adjusting Accounts**

- (1) Adjustments are input in the same manner as the MFT 30 and/or MFT 35 and will post without a TC 150 present.

- (2) Adjustments are not mirrored, however, adjustments to refundable credits do mirror. See IRM 21.6.8.6.1, *Mirrored Modules*, for a list of transaction codes that are mirrored using a corresponding credit (TC 766 reference number 337). It may be necessary to input multiple adjustments, one on the primary spouse's module and one on the secondary spouse's module.
- (3) The adjustment amount may vary for the primary and secondary taxpayer. Verify adjustment amounts before inputting the adjustment.
- (4) Information input to MFT 31 is not transmitted to the Social Security Administration. Do not input reference numbers associated with social security or Medicare tax, or the income that produced the tax, such as self-employment or tip income, on MFT 31 modules. Input the necessary adjustment, without the reference numbers on the MFT 31 module(s). Changes to social security or Medicare tax, and the income that produced the tax, must be input on MFT 30. Input TC 290 .00, the appropriate reference numbers, RC(s) and HC 4 on the joint MFT 30 module. Forms / schedules related to these types of adjustments include:
  - Schedule SE, *Self-Employment Tax*
  - Schedule H, *Household Employment Tax*
  - Form 4137, *Social Security and Medicare Tax on Unreported Tip Income*
  - Form 8919, *Uncollected Social Security and Medicare Tax on Wages*
  - Form 8959, *Additional Medicare Tax*

**Example:** An amended return is filed to report self-employment income. The MFT 31 adjustment reflects the change in tax (TC 29X) and adjusted gross income/taxable income. The MFT 30 adjustment reflects no change in tax and item reference numbers 878, 889, and 895 for the appropriate amounts.

- (5) Other reference numbers are not valid with MFT 31, such as First-Time Homebuyer Credit, see IRM 21.6.4.4.17.4, *Manually Adjusting the Recapture Amount*. CC ADJ54 will return error message "MSG 99 - REF-NUM EITHER INVALID OR NOT ALLOWED WITH MFT". If this message is displayed, input tax, credit, and other allowable reference numbers on MFT 31, then input the restricted reference numbers on MFT 30.
- (6) When considering penalty abatement requests on MFT 31, if the facts and circumstances presented by one spouse clearly show it would apply to both spouses, remove the penalty on both modules.

**Example:** If a penalty is being removed for first-time abate and first-time abate also applies to the other spouse, penalties on both modules should be removed.

Use the Reasonable Cause Assistant (RCA) for the requesting spouse. If you have determined the requesting spouse does not have the joint history of compliance, bypass a First-Time Abate (FTA) determination by RCA. Select "cancel" in the FTA window and proceed with reasonable cause consideration.

- (7) Adjustment requests for an MFT 31 module with action code 102 or 103 are generally referred to the originating function.

- (8) Overpayments do not systemically generate a refund. The credit is held on the module and an REFMFT31 and/or REFMFT65 transcript generates, see IRM 21.6.8.9.2, *REFMFT31 / REFMFT65 Transcripts*. To prevent a transcript from generating, include Hold Code 4 when inputting an adjustment that will create an overpayment. Manually offset or refund the overpayment.

**Caution:** Prior to offsetting or refunding, always check the XREF TIN to ensure the credit created is not a mirrored credit, TC 766.

21.6.8.8.3  
(10-16-2017)  
**Refunds**

- (1) Systemic refunds are issued in the primary taxpayer's name only. A manual refund must be issued when both the primary and secondary taxpayer's names are required on the refund. If the overpayment is a joint overpayment, a manual refund must be issued.

**Example:** An amended return is filed resulting in an overpayment.

Issue the manual refund using the joint MFT 30 name line.

**Note:** TC 670 payments should be treated as separate payments.

See IRM 21.4.4.3, *Why Would a Manual Refund Be Needed?*, for other reasons why a manual refund may be required.

- (2) Multiple manual refunds must be issued if the joint overpayment:

- Includes a DPC 31 payment
- Is not entirely available on one module

**Caution:** TC 766 credits with reference number 337 cannot be refunded. If the joint overpayment includes payments made by both spouses which are mirrored to the other spouse's module, the total amount of the joint overpayment is not available for refund from one module. The TC 766 portion of the overpayment must be reversed using TC 767.

- (3) Ensure any payment being refunded was not mirrored to the cross-reference module. If mirrored, reverse the credit (TC 766 reference number 337).

- (4) If it is necessary to issue a manual refund, follow the procedures in IRM 21.4.4, *Manual Refunds*, and:

- a. Attach all required documentation and proof of research to the manual refund request.

**Note:** Accounting will return a manual refund request that does not contain the required information and/or documentation.

- b. Issue the manual refund in the joint MFT 30 name line **only** if the overpayment is a joint overpayment.
- c. Issue the manual refund with the name line of the MFT 31 and/or MFT 65 module if the refund is being issued to the individual.

**Example:** Taxpayer A makes a payment which overpays the module. The overpayment will be refunded in Taxpayer A's name only.

**Caution:** **DO NOT** manually refund any credit or credit balance that is a result of a mirrored credit. The TC 766 reference number 337 is a mirrored credit **ONLY** and is not available for refund or offset. The true credit is posted under the related TIN and has a credit transaction code such as TC 670 or TC 706.

**Note:** If the mirrored credit or credit balance **cannot** be reversed from the mirrored module, complete Form 8758, *Excess Collection File Addition*, to move the mirrored credit or credit balance to Excess Collections (Account 6800). When preparing Form 8758, be sure to notate that the credit is not valid. Input a TC 971 AC 296 with the spouse's TIN as the XREF.

21.6.8.9  
(10-01-2015)  
**Transcripts**

- (1) Three transcripts, DUPASMT, REFMFT31, and REFMFT65, will generate to the AM function as a result of the mirroring process. Automatic controls will be established through Case Control Activity (CCA). See IRM 21.6.8.9.1, *DUPASMT Transcripts*, and IRM 21.6.8.9.2, *REFMFT31 / REFMFT65 Transcripts*, for transcript procedures.
- (2) Additional transcripts are generated for MFT 31. AM does not work the following transcripts:
  - SPSSNMIRR - These transcripts are worked by the Submission Processing (SP) Entity Function.
  - MIRRORFAIL - These transcripts are worked by the functional area creating or attempting to create the MFT 31.
  - ORIGINALCR - Generated to notify CCO that a Restitution Based Assessment (RBA) posted to an account.
  - CRPAYMTMIR - Generated to notify CCO that a payment / debit or credit posted to an RBA account.
  - REF766337 - Generated to notify CCO than an RBA payment or credit has posted to a module containing a TC 766 REF 337 and the module balance is credit.

21.6.8.9.1  
(11-07-2018)  
**DUPASMT Transcripts**

- (1) DUPASMT transcripts generate when payments post to either spouse's non-mirrored MFT 31 module. This occurs when the MFT 31 was created by a TC 971 AC 102 — Exam Tax Court Case, prior to March 23, 2011, or AC 103 — Exam / AUR / Appeals Tax Court Case. If the module contains a TC 971 AC 110, the transcript is issued after the posting of each subsequent payment transaction (TC 670, TC 706, etc.). The purpose of this transcript is to ensure each spouse's module is properly credited with a payment made towards a joint liability.
- (2) Generally, DUPASMT transcripts will not generate on mirrored modules. Transcripts generated on mirrored modules are based on the TC 971 AC 110 Julian date. If the TC 971 AC 110 contains Julian date 999, an REFMFT31/65 transcript will generate. If the TC 971 was manually input, the TC 971 AC 110 will contain a Julian date other than 999 which triggers a DUPASMT transcript.
- (3) The tax liability, in whole or in part, is reflected on both spouse's MFT 31 modules. The payment(s) must be reflected on both modules to assure proper balance due information and Accounts Receivable.

- (4) Upon receipt of the transcript, research all related MFT 30 and/or MFT 35 and MFT 31 and/or MFT 65 modules (on both the primary and secondary TIN) to determine necessary actions as shown below.

If	Then
Either module is in OIC status	Fax a referral to CCO for resolution 855-235-6786
Either module is in Status 72 or contains a -V freeze	See IRM 21.5.6.4.44, <i>-V Freeze</i> . If the module indicates bankruptcy, fax a referral to the Centralized Insolvency Operation in Philadelphia for resolution. <b>Do not resolve either module.</b> 855-235-6787
The transcript generated on a restitution-based case	Fax a referral to CCO at: 1-855-807-8978 RBA Team <b>Note:</b> Restitution-based cases can be identified by a TC 971 AC 102, with the MFT 31 module created on or after March 23, 2011. Restitution payments can be identified with a DPC 26.
The module on the primary or secondary TIN has an open control category “REFM” or “REFA”	Recontrol your control base to the “REFMFT31” or “REFMFT65” control. <b>One employee will work all open transcript issues on both the primary and secondary module.</b>
There are any other open controls	Follow normal procedures

- (5) If research does NOT show an open control with category “REFM” or “REFA”:

- Compare the primary and secondary’s tax modules.
- Input TC 290 .00 to the spouse’s module that does **NOT** have the payment(s) credited to their module.
- Enter reference number 337 for the amount of the payment. Do not include any portion of the payment in the amount refunded.

**Caution:** Do not create a credit balance when inputting reference number 337. If the payment amount is more than the balance due, input the balance due amount.

**Exception:** If the credit being mirrored was received prior to an existing credit on the module, a credit balance can be created. However, you must resolve the credit balance to prevent a subsequent transcript.

- Enter the Return Processable Date (RPD). The RPD is the posting date of the payment.
- Use HC 3, RC 099, BS 05, and PC 9.

- (6) When adjusting a statute year module and an entry is required in the “RFSCDT” field on CC ADJ54, use the received date of the transcript with override code S.
- (7) When the module is paid in full, input a TC 972 AC 110 on both modules to stop future transcripts from generating.

21.6.8.9.2  
(10-01-2019)

**REFMFT31 / REFMFT65  
Transcripts**

- (1) REFMFT31 and REFMFT65 transcripts generate when the MFT 31 or MFT 65 module reflects an overpayment. A computer-generated TC 570 will post in the cycle the overpayment is created. The purpose of these transcripts is to ensure the overpayment shown on the module is a true credit, and not a “false credit” created by a mirrored payment, and thus subject to offset or refund.
- (2) Control REFMFT31 transcripts using category code “REFM”, REFMFT65 transcripts using category code “REFA”.
- (3) Upon receipt of the transcript, research all related modules (on both the primary and secondary TIN) to determine necessary actions as shown below.

If	Then
Either module is in OIC status	Fax a referral to CCO for resolution 855-235-6786
Either module is in Status 72 or contains a -V freeze, as shown in IRM 21.5.6.4.44, -V Freeze	If the module indicates bankruptcy, fax a referral to the Centralized Insolvency Operation in Philadelphia for resolution. <b>Do not resolve either module.</b> 855-235-6787
The REFMFT31 transcript generated on a restitution-based case (Action Codes 182 - 185, 188 or 189 only)	Fax a referral to CCO at: 1-855-807-8978 RBA Team <b>Note:</b> Restitution-based cases can be identified by a TC 971 AC 102, with the MFT 31 module created on or after March 23, 2011. Restitution payments can be identified with a DPC 26.
The module on the primary or secondary TIN has an open control category “IRRQ” with activity code “DUPASMT” or another REFMFT31 / REFMFT65 transcript	Contact the employee with the open control. Advise the employee to close the control to your control base (earliest received date rules apply). If the control is to a clerical number or unassigned queue, close the control to your control base per IRM 21.5.1.5.1, <i>CIS General Guidelines</i> . <b>One employee will work all open transcript issues on both the primary and secondary module.</b>
There are any other open controls	Follow normal procedures

- (4) If both MFT 31 modules are not full paid and all payments are **NOT** reflected on both modules, determine which payment(s) or portion of payment is missing from the module. Manually mirror the payment(s) following the steps below. If the payment(s) has a DPC 31, do NOT manually mirror the payment.

**Note:** Perform a side by side comparison of the two modules to ensure all appropriate transactions (payments, credits, adjustments, etc.) are mirrored.

**Note:** CC INTSTD can be used to display the payment order when determining which false credit should be reversed, or real payment/offset refunded from the account.

- a. Input an adjustment to the spouse's module that does **NOT** have the payment.
- b. Make a separate adjustment for each missing payment.
- c. Input a TC 290 .00 and reference number 337 for the amount of the payment. Do not include any portion of the payment in the amount refunded.

**Caution:** Do not create a credit balance when inputting reference number 337. If the payment amount is more than the balance due, input the balance due amount.

**Exception:** If the credit being mirrored was received prior to an existing credit on the module, a credit balance can be created. However, you must resolve the credit balance to prevent a subsequent transcript.

- d. Enter the posting date of the payment as the RPD.
- e. Use HC 3, RC 099, PC 9, BS 05.

- (5) If the overpayment was created by a mirrored credit or a mirrored adjustment, research both modules to determine what type of transaction created the credit. Read this entire paragraph before taking action.

- If a mirrored credit created the overpayment, reverse the credit for the amount of the overpayment. Use separate reference numbers 337 for each credit causing the overpayment if multiple transactions have created the credit balance.
  - a. Input a TC 290 .00.
  - b. Enter the transaction date of the credit in the RET-PROC-DT field on CC ADJ54.
  - c. Input reference number 337 for the credit(s) creating the overpayment with a minus sign behind the money amount.
  - d. Use a HC 3, RC 099, PC 9, and BS 05.
- If after reversing the mirrored payment an overpayment still exists, continue with (6). Keep in mind the TC 290 input to reverse the mirrored credit will release the -R freeze. A HC 4 can be used to hold the credit.
- If the overpayment consists of credits from the MFT 30 module, such as withholding, it is a joint overpayment. The credit can only be refunded or offset once.



- If the mirrored credit or credit balance **cannot** reversed from the mirrored module, move the credit to Excess Collections following the note in IRM 21.6.8.8.3(4), *Refunds*.
- If the mirrored credit corresponds with a refund offset, see (9).

Due to the complexity of some of these accounts, it may be necessary to monitor to ensure a zero balance is the end result.

- (6) When the overpayment is a true overpayment, perform research to determine if the taxpayer is liable for other taxes.
- a. If other balances are due, release the freeze and allow the credit to offset to the balance due module(s).
  - b. If you determine an offset will not occur in a normal manner, such as when certain freeze conditions exist, move the credit to the balance due module following normal credit transfer procedures.

**Note:** If payment was intended for a taxpayer's MFT 31 and/or MFT 65 module, the credit can only be applied to a module for which the taxpayer is liable. The credit cannot be applied to a separate debt of the spouse's.

- c. If research determines no additional balance is due, release the TC 570 freeze via normal freeze release procedures and allow the refund to generate to the taxpayer.

**Caution:** A systemic refund can be issued for any payment(s) received after a mirrored credit. If the refund contains a payment prior to a mirrored credit (based on the transaction date, not the posting date), a manual refund must be issued, the system does not have the ability to generate a refund.

- (7) When adjusting a statute year module and an entry is required in the "RFSCDT" field on CC ADJ54, use the received date of the transcript with override code S.
- (8) If the module(s) contains a TC 971 AC 110, input a TC 972 AC 110 to prevent future payments from mirroring. When inputting the TC 972, use the transaction date of the TC 971 AC 110.
- (9) In situations where refunds offset into both the primary and secondary modules creating a true credit and a false credit within 3 cycles of one another, ensure only the proper amount of tax, penalty and interest has been collected between the two modules. It may be necessary to reverse a refund offset, TC 706, instead of the TC 766. See Exhibit 21.6.8-4, *Example: Refund Offset on Both Spouse's Modules, TC 766 Generated on Both Modules*, for an example of an offset that occurred one week apart.

**Note:** When offsets occur in the same cycle and the overpayments are the same, divide the individual offset by the total offset. The percentage calculated, multiplied by the amount of overpayment, will determine the amount to return to the individual. This would also apply if payments are made in the same cycle.

**Example:** Taxpayer A had \$700 offset and Taxpayer B had \$400 offset to pay a total debt of \$800. Taxpayer A paid 63.6% of the total offset (\$700 /



\$1100). Taxpayer A is entitled to \$190.80 (\$300 overpayment X 63.6%) and Taxpayer B is entitled to \$109.20.

**Exception:** If the spouses are still filing married filing jointly and overpayments have been offset to both, reverse one of the offsets and corresponding credit.

**Note:** If an offset occurs in the same cycle and the overpayments are not the same, or payments were made in the same cycle, apply the formula from the first note to the lesser of the overpayments. The remainder of the larger overpayment will be removed by inputting reference number 337 with a minus sign.

**Example:** Using the example above, assume Taxpayer A's overpayment is \$200.00 and Taxpayer B's is \$300. A TC 701 for \$127.20 would be input on Taxpayer A's module and a TC 701 for \$72.80 would be input on Taxpayer B's module. A \$100 overpayment would still exist on Taxpayer B's module after the credits mirror. Remove the \$100 credit using reference number 337 with a minus sign.

- (10) If it is necessary to issue a manual refund, follow the procedures in IRM 21.6.8.8.3, *Refunds*.

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**Exhibit 21.6.8-1 (10-14-2016)****Example: No TC 766 Credits on One Module, No DPC 31 Payments on Either Module**

Spouse A module	Spouse B module
Overpayment - \$1,000.00 TC 670 \$200.00 TC 670 \$300.00 TC 670 \$500.00	Overpayment - \$1,000.00 TC 766 \$200.00 TC 766 \$300.00 TC 766 \$500.00
Allow a systemic refund in the MFT 31 name line: TC 846 \$1,000.00	Reverse TC 766 overpayment credits. Input: 337 \$200.00– 337 \$300.00– 337 \$500.00– <b>Note:</b> Include HC 3, PC 9 and RPD - payment date (TC 766)
If there is an unreversed TC 971 AC 110, input TC 972 AC 110	If there is an unreversed TC 971 AC 110, input TC 972 AC 110

**Exhibit 21.6.8-2 (10-14-2016)****Example: TC 766 Credits on Both MFT 31 Modules, No DPC 31 Payments on Either Module**

<b>Spouse A module</b>	<b>Spouse B module</b>
Overpayment - \$1,000.00 TC 670 \$200.00 TC 766 \$300.00 TC 670 \$500.00	Overpayment - \$1,000.00 TC 766 \$200.00 TC 670 \$300.00 TC 766 \$500.00
Reverse TC 766 overpayment credit. Input: 337 \$300.00— <b>Note:</b> Include HC 4, PC 9 and RPD - payment date	Reverse TC 766 overpayment credits. Input: 337 \$200.00— 337 \$500.00— <b>Note:</b> Include HC 4, PC 9 and RPD - payment date (TC 766)
Issue a manual refund using MFT 31 name line: TC 840 \$700.00	Issue a manual refund using MFT 31 name line: TC 840 \$300.00
If there is an unreversed TC 971 AC 110, input TC 972 AC 110	If there is an unreversed TC 971 AC 110, input TC 972 AC 110

**Exhibit 21.6.8-3 (10-14-2016)****Example: No TC 766 Credits on One Module, DPC 31 Payment Present**

Spouse A module	Spouse B module
Overpayment - \$1,000.00 TC 670 \$200.00 DPC 31 TC 806 \$800	Overpayment - \$800.00 TC 766 \$800.00
Issue joint manual refund for joint overpayment using joint MFT 30 name line: TC 840 \$800.00	Reverse TC 766 overpayment credits. Input: 337 \$800.00— <b>Note:</b> Include HC 3, PC 9 and RPD - payment date (TC 766)
Issue manual refund to spouse A for DPC 31 payment using spouse A's MFT 31 name line: TC 840 \$200.00	
If there is an unreversed TC 971 AC 110, input TC 972 AC 110.	If there is an unreversed TC 971 AC 110, input TC 972 AC 110.

**Exhibit 21.6.8-4 (10-01-2010)****Example: Refund Offset on Both Spouse's Modules, TC 766 Generated on Both Modules**

Spouse A module	Spouse B module
Overpayment - \$1,988.74 TC 150 0.00 TC 806 1,426.00– TC 766 1,342.00– CR-ID-NUM 336 TC 768 1,028.00– TC 846 3,796.00 TC 765 1,028.00 TC 767 1,121.00 CR-ID-NUM 336 TC 196 130.75 TC 670 57.00– TC 670 100.00– TC 706 2,520.26– TC 276 57.25 TC 196 340.26 TC 766 1,988.74–	Overpayment - \$2,017.04 TC 150 0.00 TC 806 1,426.00– TC 766 1,342.00– CR-ID-NUM 336 TC 768 1,028.00– TC 846 3,796.00 TC 765 1,028.00 TC 767 1,121.00 CR-ID-NUM 336 TC 196 130.75 TC 766 57.00– TC 766 100.00– TC 706 1,988.74– TC 766 2,520.26– TC 196 340.26 TC 276 28.95
Spouse A's refund applied to module (TC 706) which full paid the module. Spouse B's refund mirrored (TC 766) creating overpayment. Credit will be resolved when the TC 701 is input on Spouse B which will generate a TC 767 on Spouse A one cycle after the TC 701 posts.	Spouse B's refund applied to module (TC 706). Spouse A's refund mirrored (TC 766) overpaying module. Credit will be resolved by reversing Spouse B refund (TC 701 1,988.74) and reversing the remainder of the TC 766 overpayment (TC 767 28.30).

**Note:** Spouse B's refund was offset one cycle after Spouse A.