INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

July 31, 2026

Control No. AP-08-0726-0055
Expiration Date: 07/31/2028
Affected IRM: 8.11.7

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Steven M. Martin */s/ Steven M. Martin*
Director, Operations Support

SUBJECT: Appeals Case Management System (ACMS) procedure updates for IRM 8.11.7, Abusive Transaction Penalties

This guidance provides general information about ACMS detailed in IRM 8.11.7, Abusive Transaction Penalties. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance provides changes in terminology and new processing functionality for the IRS Independent Office of Appeals (Appeals) new case management system, ACMS.

Background/Source(s) of Authority: Appeals Centralized Database System (ACDS), Appeals' aging legacy system, is being replaced by ACMS, a more modernized system. Appeals contracted Salesforce to create ACMS, which will provide Appeals with a new level of automation and analytics. These updates will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

Procedural Change: Release 1 of ACMS focused on Collection Appeals work. Release 2 of ACMS will focus on Examination Appeals and Specialized Examination Programs and Referrals (SEPR) case work. Future releases will incorporate concepts introduced in this guidance and will be reinforced via training and applicable user guides. Procedural changes pertaining to this guidance are included in the attachment.

Additional Information: Additional information on ACMS can be found on the Appeals Exchange (ApEx) ACMS Home Page. This site will contain links for helpful information with ACMS, training documents, etc.

Effect on Other Documents: Portions of this guidance may be extended, modified, or made permanent, and incorporated into the affected IRM section(s) within two years

from the date of this memorandum.

Effective Date: This guidance is effective as of the date of this memorandum.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on How to Contact an Analyst.

Distribution: FOIA Library on IRS.gov

Attachment

cc: www.irs.gov

Attachment AP-08-0726-0055, Appeals Case Management System (ACMS) procedure updates for IRM 8.11.7, Abusive Transaction Penalties

Throughout 8.11.7

- References to Appeals Centralized Database System (ACDS) will be changed to Appeals Case Management System (ACMS).
- Form 5402, Appeals Transmittal and Case Memo, has been replaced. The 'Printable View' feature now captures the information found on Form 5402 and is referred to as the E-5402.
- Appeals Technical Employees (ATEs) can edit fields in ACMS. If a field cannot be edited, submit an account processing support request to Account and Processing Support (APS) requesting the appeal be updated.

8.11.7.2.1 (MM-DD-YYYY)
Appeals Coordinated Issue (ACI)
Updated paragraphs (1) and (2) and added paragraph (3)

(1) The ATE should research the Appeals Issue Locator to determine if the issue is an Appeals Coordinated Issue (ACI).

(2) If the penalty is an ACI, the ATE must take the following actions when the ACI is first identified:

a. Add the feature code “Appeals Technical Assistance Issue (AI).”
b. Create the ACI as an issue within ACMS.
c. Submit a Technical support request in ACMS for Technical Guidance (TG) assistance. For more information on coordinated issues, see IRM 8.2.1.6, Preliminary Review of a Case - ATE, and IRM 8.7.3, Domestic and International Operations Programs.

(3) If the case is not an ACI, the ATE may submit a Technical support request in ACMS for assistance from a Subject Matter Expert (SME), as needed.

8.11.7.5.2 (MM-DD-YYYY)
IRC 6703 Appeals Claim Procedures
Deleted paragraph (1) and updated paragraph (2). Renumbered paragraphs.

(2) These cases are controlled in ACMS with the category “Civil Penalty,” subcategory “Transaction Penalty,” and the applicable Penalty Reference Number (PRN). See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.7.6 (MM-DD-YYYY)
IRC 6707 - Failure to Furnish Information Regarding Reportable Transactions
Updated paragraphs (2) and deleted paragraph (3). Paragraphs are renumbered.

(2) These cases are controlled in ACMS with the category “Civil Penalty,” subcategory “Transaction Penalty,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.7.7.1 (MM-DD-YYYY)
IRC 6707A - Failure to Include Reportable Transaction with Return
Updated paragraphs (1) and (3) and deleted paragraphs (4) and (5)

(1) IRC 6707A provides a separate penalty applicable to taxpayers who fail to disclose a reportable transaction on their returns. See IRM 20.1.13.3, Failure to Include Reportable Transaction Information with Return - IRC 6707A Penalty.

(2) IRC 6707A can have pre-assessment or post-assessment appeal rights. See IRM 20.1.13.3.5.1, Sending the Case to Appeals—Pre-Assessment Consideration, and IRM 20.1.13.3.5.2, Sending the Case to Appeals—Post-Assessment Consideration.

(3) These cases are controlled in ACMS with the category “Civil Penalty,” subcategory “Transaction Penalty,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.7.7.2 (MM-DD-YYYY)
IRC 6707A Penalty Cases as Appeals Coordinated Issues (ACI)
Deleted paragraph (1), added new paragraph (1) and (3), and updated paragraph (2)

(1) The ATE should research the Appeals Issue Locator to determine if the issue is an ACI.

(2) If the penalty is an ACI, the ATE must take the following actions when the ACI is first identified:

a. Add the applicable feature code “Appeals Technical Assistance Issue (AI).”
b. Create the ACI as an issue within ACMS.
c. Submit a Technical support request in ACMS for TG assistance. For more information on coordinated issues, see IRM 8.2.1.6, Preliminary Review of a Case - ATE, and IRM 8.7.3, Domestic and International Operations Programs.

(3) If the case is not an ACI, the ATE may submit a Technical support request in ACMS for assistance from a SME, as needed.

8.11.7.8 (MM-DD-YYYY)
IRC 6708 - Failure to Maintain Lists of Advisees with Respect to Reportable Transactions
Updated paragraph (1)

(1) This penalty is imposed on any person required to maintain a list under IRC 6112(a), Material Advisors of Reportable Transactions Must Keep List of Advisees, etc., who fails to make the list available. These cases are controlled in ACMS with the category “Civil Penalty,” subcategory “Transaction Penalty,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).