

INTERIM IRM PROCEDURAL UPDATE

DATE: 12/27/2010

NUMBER: SBSE-20-1210-1759

SUBJECT: Overpayment Interest

AFFECTED IRM(s)/SUBSECTION(s): 20.2.4

CHANGE(s):

IRM [20.2.4.6.3](#) - Clarified when a request to credit an overpayment against an installment of future tax must be made in writing.

2. When a request is received to credit an overpayment against an installment of future tax, do not credit the overpayment to other than the first installment of the next succeeding taxable year (which is the normal application for credit elect) unless the taxpayer has requested, **in writing**, that the Service do so. Verbal requests may not be accepted — Rev. Rul. 84–58. If the taxpayer makes a written request to credit an overpayment to **other than** the first installment of the next succeeding taxable year but does not specify a particular installment the overpayment is to be applied, credit it to the first installment of the requested tax year. If the taxpayer requests the application of the overpayment to a future installment in which the interest rates are unknown/not determined, calculate credit interest on the offset at the prevailing rate(s).