



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Date: January 4, 2023

Control Number: SBSE-04-0123-0002
Expiration Date: 01-04-2025
Affected IRM(s): 4.24.8

MEMORANDUM FOR DIRECTOR, SPECIALTY EXAMINATION CHIEF ESTATE &
GIFT/EXCISE TAX, EXCISE TAX TERRITORY MANAGERS AND
GROUP MANAGERS

FROM: Heath Vo, Director, Examination - Specialty Policy *Heath Vo*

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2023.01.04 08:23:02 -0600

SUBJECT: Interim Guidance on Revised Report Writing Procedures for Claims

This memorandum issues interim guidance on revised report writing procedures for certain unpaid and paid claims. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: To revise the report writing procedures for certain unpaid and paid claims.

Procedural Change: Currently, IRM 4.24.8.10.1(2), Report Writing Regular Agreed Cases - Unpaid Claim Disallowed in Full or Partially Allowed, and IRM 4.24.8.10.2(2), Report Writing Regular Agreed Cases - Unpaid Claim - Allowed in Full, procedures for unpaid claims taken on Form 720 Schedule C, Quarterly Federal Excise Tax Return, Claims, or Form 8849, Claim for Refund of Excise Taxes, state that Form 5384, Excise Tax Examination Changes and Consent to Assessment & Collection, should be completed as follows:

- b. Column 4 Corrected Tax Liability or Credit per Return: Enter claim amount allowed.
- c. Column 5 Tax or Credit per Return or Previous Assessment: Enter zero.

Effective immediately, IRM 4.24.8.10.1(2) and IRM 4.24.8.10.2(2) procedures are revised for unpaid claims taken on Form 720 Schedule C or Form 8849. Form 5384 should be completed as follows:

- b. Column 4 Corrected Tax Liability or Credit per Exam: Enter claim amount allowed plus the amount from column 5.
- c. Column 5 Tax or Credit per Return or Previous Assessment: Enter the posted amount per return, plus any subsequent adjustments, from TXMODA for the CRN claimed, if no amount then enter zero.

Note: The posted amount per return from TXMODA must be specific to the MFT under examination. BMFOLA may be used if TXMODA is not available.

In addition, currently IRM 4.24.8.16.1(2), Report Writing Regular Agreed Cases - Paid Claim - Increase to Original Amount, procedures for increases to paid claims and situations involving Form 720 Schedule C and Form 8849, state that Form 5384 should be completed as follows:

- b. Column 4 Corrected Tax Liability or Credit per Return: Enter claim amount allowed.
- c. Column 5 Tax or Credit per Return or Previous Assessment: Enter zero.

Effective immediately, IRM 4.24.8.16.1(2) procedures are revised for increases to paid claims and situations involving Form 720 Schedule C and Form 8849. Form 5384 should be completed as follows:

- b. Column 4 Corrected Tax Liability or Credit per Exam: Enter claim amount allowed plus the amount from column 5.
- c. Column 5 Tax or Credit per Return or Previous Assessment: Enter the posted amount per return from TXMODA, plus any subsequent adjustments, for the CRN claimed, if no amount then enter zero.

Note: The posted amount per return from TXMODA must be specific to the MFT under examination. BMFOLA may be used if TXMODA is not available.

Effect on Other Documents: This guidance will be incorporated into IRM 4.24.8, Examination Guidance for Excise Claims for Refund or Abatement, by January 04, 2025.

Effective Date: This guidance is effective January 04, 2023.

Contact: If you have any questions regarding this memorandum, you may contact Kellie L. McCann, Program Manager, Excise Tax Policy, or Allison Boyd, Excise Tax Policy Analyst.

Distribution:

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